深圳高速公路集團股份有限公司
SHENZHEN EXPRESSWAY CORPORATION LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 600548 (SSE) 00548 (HKEx))

Annual Report

深高速

2025

Cautionary Statement in relation to Forward-looking Statement:

Beside statements of facts, this report also contains certain "forward-looking statements", including, without limitation, statements relating to all anticipation, objectives, estimations and operation plans of the Company which are anticipated or expected to happen. Forward-looking statements involve certain general or specifically known or unknown risk and negative factors. Affected by these factors, the future results of the Company may substantially differ from these forward looking statements. Users of this report should consider the aforesaid and other factors carefully, and should not place undue reliance on such "forward-looking statements". In addition, the Company undertakes no obligation to update or revise any forward-looking statements in this report publicly in respect of any future information, incident or any other reason. The Company and any of its employee or associate make no representation or assurance to the future performance of the Company and expressly disclaim any responsibilities of such statements.

The Board, the Supervisory Committee and the Directors, the Supervisors, the Senior Management of the Company confirm the truthfulness, accuracy and completeness of the content of this annual report and that there are no false representations or misleading statements contained in or material omissions from this report, and assume several and joint legal responsibility.

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Definition and Cautionary Statement

1. Definitions

In this report, the following expressions shall have the meanings set out below unless the context otherwise requires:

Reporting Period, current year, 2025 Annual/Period	For the twelve months from 1 January 2025 to 31 December 2025.
Reporting date	The date on which the Annual Report 2025 of the Company is approved by the Board, being 25 March 2026.
YOY	Year-on-year change rate as compared to the same period of 2024.
The Group, The Company, Shenzhen Expressway	Shenzhen Expressway Corporation Limited and its consolidated subsidiaries.
RMB/yuan	Renminbi yuan, the lawful currency of PRC.
CSRC	China Securities Regulatory Commission.
SFC	Securities and Futures Commission of Hong Kong.
SSE	The Shanghai Stock Exchange.
SZEX	The Shenzhen Stock Exchange.
HKEX	The Stock Exchange of Hong Kong Limited.
Listing Rules	The Rules Governing the Listing of Securities on HKEx and/or the Rules Governing the Listing of Stocks on SSE (as the case may be).
CASBE	The Accounting Standards for Business Enterprises (2006) of the PRC and the specific accounting standards as well as relevant provisions issued later.
State Council	State Council of the People's Republic of China (中華人民共和國國務院).
SASAC	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
NDRC	National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會).
MOT	Ministry of Transport of the People's Republic of China (中華人民共和國交通運輸部).
National Energy Administration	National Energy Administration of the People's Republic of China (中華人民共和國國家能源局).
Ministry of Finance	Ministry of Finance of the People's Republic of China (中華人民共和國財政部).
Ministry of Industry and Information Technology	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部).
Ministry of Ecology and Environment	Ministry of Ecology and Environment of the People's Republic of China (中華人民共和國生態環境部).

Ministry of Housing and Urban-Rural Development	Ministry of Housing and Urban-Rural Development of the People's Republic of China (中華人民共和國住房和城鄉建設部).
Guangdong PDRC	Guangdong Provincial Development and Reform Commission (廣東省發展和改革委員會).
Shenzhen SASAC	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會).
Shenzhen Transport Bureau	Transport Bureau of Shenzhen Municipality (深圳市交通運輸局).
SIHC	Shenzhen Investment Holdings Company Limited (深圳市投資控股有限公司).
Shenzhen International	Shenzhen International Holdings Limited (深圳國際控股有限公司).
XTC Company	Xin Tong Chan Development (Shenzhen) Company Limited (新通產實業開發(深圳)有限公司).
SGH Company	Shenzhen Shen Guang Hui Highway Development Company Limited (深圳市深廣惠公路開發有限公司).
Advance Great Company	Advance Great Limited (晉泰實業公司).
Yunshan Capital	Jiangsu Yunshan Capital Management Co., LTD. (江蘇雲杉資本管理有限公司).
CMET	China Merchants Expressway Network & Technology Holdings Company Limited (招商局公路網絡科技控股股份有限公司).
Anhui Expressway	Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司).
GDRB Company	Guangdong Roads and Bridges Construction Development Company Limited (廣東省路橋建設發展有限公司).
Shenzhen International (Shenzhen)	Shenzhen International Holdings (SZ) Limited (深國際控股(深圳)有限公司).
SIICH	Shenzhen Investment International Capital Holdings Company Limited (深圳投控國際資本控股有限公司), a wholly-owned subsidiary of SIHC.
SIICHIC	Shenzhen Investment International Capital Holdings Infrastructure Company Limited (深圳投控國際資本控股基建有限公司).
Vanke Group	China Vanke Company Limited (萬科企業股份有限公司) and its consolidated subsidiaries.
Guangming Environment	Shenzhen Guangming Environment Technology Company Limited (深圳光明深高速環境科技有限公司).
Guishen Company	Guizhou Guishen Investment Development Company Limited (貴州貴深投資發展有限公司).
Bank of Guizhou	Bank of Guizhou Company Limited (貴州銀行股份有限公司).

Definition and Cautionary Statement

Huayu Company	Shenzhen Huayu Expressway Investment Company Limited (深圳市華昱高速公路投資有限公司).
Environmental Company	Shenzhen Expressway Environmental Company Limited (深圳高速環境有限公司).
Infrastructure and Environmental Protection Company	Shenzhen Expressway Infrastructure and Environmental Protection Development Company Limited (深圳深高速基建環保開發有限公司).
Fund Company	Shenzhen Expressway Private Equity Industrial Investment Fund Management Company Limited (深圳高速私募產業投資基金管理有限公司).
Construction Company	Shenzhen Expressway Construction Development Company Limited (深圳高速建設發展有限公司).
Architecture Technology Company	Shenzhen Expressway Architecture Technology Development Company Limited (深圳高速建築科技發展有限公司).
Asphalt Technology Company	Shenzhen Expressway Asphalt Technology Development Company Limited (深圳高速瀝青科技發展有限公司).
Longda Company	Shenzhen Longda Expressway Company Limited (深圳龍大高速公路有限公司).
Meiguan Company	Shenzhen Meiguan Expressway Company Limited (深圳市梅觀高速公路有限公司).
Nanjing Third Bridge Company	Nanjing Yangtze River Third Bridge Company Limited (南京長江第三大橋有限責任公司).
Qinglian Company	Guangdong Qinglian Highway Development Company Limited (廣東清連公路發展有限公司).
Qinglong Company	Shenzhen Qinglong Expressway Company Limited (深圳清龍高速公路有限公司).
Financial Leasing Company	Shenzhen Expressway Financial Leasing Company Limited (深圳市深高速融資租賃有限公司).
Business Company	Shenzhen Expressway Business Company Limited (深圳深高速商務有限公司).
Shenchang Company	Changsha Shenchang High Speed Trunk Road Company Limited (長沙市深長快速幹道有限公司).
Digital Technology Company	Shenzhen Expressway Digital Technology Company Limited (深圳高速公路集團數字科技有限公司).
Shenshan Qiantai	Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Company Limited (深圳深汕特別合作區乾泰技術有限公司).
Investment Company	Shenzhen Expressway Investment Company Limited (深圳高速投資有限公司).

Outer Ring Company	Shenzhen Outer Ring Expressway Investment Company Limited (深圳市外環高速公路投資有限公司).
Property Company	Shenzhen Expressway Property Management Company Limited (深圳高速物業管理有限公司).
GZ W2 Company	Guangzhou Western Second Ring Expressway Company Limited (廣州西二環高速公路有限公司).
Coastal Company	Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司).
Yangmao Company	Guangdong Yangmao Expressway Company Limited (廣東陽茂高速公路有限公司).
Yunji Intelligent (Former Consulting Company)	Yunji Intelligent Engineering Holding Company Limited (雲基智慧工程股份有限公司).
Operation Development Company	Shenzhen Expressway Operation Development Company Limited (深圳高速運營發展有限公司).
Engineering Development Company	Shenzhen Expressway Engineering Development Company Limited (深圳高速工程發展有限公司).
Mei Wah Company	Mei Wah Industrial (Hong Kong) Limited (美華實業(香港)有限公司).
E Fund SZ Expressway REIT	E Fund Shenzhen Expressway Closed-End Infrastructure Securities Investment Fund, which is listed on the Shanghai Stock Exchange, stock code: 508033, whereas the on-site abbreviation is "SGS REIT" and the extended abbreviation has been determined as "E Fund SZ Expressway REIT".
Meiguan Expressway	The expressway from Meilin to Guanlan in Shenzhen City. ***The Toll-Free Section of Meiguan Expressway*** refers to the section from Meilin to Guanlan with a mileage of approximately 13.8 km, which has become toll-free from 24:00 on 31 March 2014. ***The Toll Section of Meiguan Expressway*** refers to the section from Shenzhen-Dongguan border to Guanlan with a mileage of approximately 5.4 km which remains toll collection.
Jihe Expressway	The expressway from Shenzhen International Airport to He'ao in Shenzhen City, comprising ***Jihe East*** (Qinghu to He'ao) and ***Jihe West*** (Airport to Qinghu).
Jihe Expressway R&E Project	The reconstruction and expansion project of the section from He'ao to Shenzhen Airport of Shenyang-Haikou National Expressway.
Shuiguan Expressway	The expressway from Shuijingcun to Guanjintou in Shenzhen City.
Shuiguan Extension	An extension to Shuiguan Expressway, Phase I of ***Qingping Expressway*** (the expressway from Yulongkeng to Pinghu in Shenzhen City).

Definition and Cautionary Statement

Outer Ring Project	The project of Shenzhen section of Outer Ring Expressway in Shenzhen City (referred to as ***Outer Ring Expressway***), among which, the section with the length of 35.67 km from Shajing to Guanlan and the section with the length of 15.06 km from Longcheng to Pingdi, totalling approximately 51 km (referred to as ***Outer Ring Phase I***) has opened to traffic on 29 December 2020. The section with the length of 9.35 km from the end of Longgang Section of Outer Ring Phase I to Kengzi via Pingdi etc. (referred to as ***Outer Ring Phase II***) has opened to traffic on 1 January 2022. The section with the length of 16.8 km from Kengzi to Dapeng (referred to as ***Outer Ring Phase III***) has started construction in late 2023.
Coastal Project	The section from Nanshan, Shenzhen to Dongbao River (the boundary between Dongguan and Shenzhen) (referred to as ***Coastal Expressway (Shenzhen Section)***) of the coastal expressway from Guangzhou to Shenzhen (referred to as ***Coastal Expressway***). Among which, the project of the main line of Coastal Expressway (Shenzhen Section) and related facilities are referred to as ***Coastal Phase I***, and the project of the ramp bridge of airport interchange of Coastal Expressway (Shenzhen Section) and related facilities are referred to as ***Coastal Phase II***.
Longda Expressway	The expressway from Longhua, Shenzhen to Dalingshan, Dongguan. Starting from 0:00 on 7 February 2016, a total of 23.8 km of the Shenzhen section of Longda Expressway (i.e. the section from Longhua Shenzhen to Nanguang expressway ramp access) has been operated by toll-free with card access method, and had been transferred to Shenzhen Transport Bureau from 0:00 on 1 January 2019. ***The Toll Section of Longda Expressway*** refers to the section of about 4.426 km starting from north of Songgang to Guanfo expressway, which still retains toll collection.
Qinglian Expressway	The expressway from Qingyuan to Lianzhou.
Yangmao Expressway	The expressway from Yangjiang to Maoming.
GZ W2 Expressway	The section from Xiaotang to Maoshan of Guangzhou Ring Expressway, also referred to as Guangzhou Western Second Ring Expressway.
Changsha Ring Road	Changsha Ring Expressway (North-Western Section).
Nanjing Third Bridge	Nanjing Yangtze River Third Bridge.
Yichang Project	The expressway from Yiyang to Changde in Hunan (referred to as ***Yichang Expressway***) and Changde connection line.
Four Expressways	Nanguang Expressway, Yanpai Expressway, Yanba Expressway and the Shenzhen section of Longda Expressway, all of which have been transferred to Shenzhen Transport Bureau from 0:00 on 1 January 2019.
Bay Area Development	Shenzhen Investment Holdings Bay Area Development Company Limited (深圳投控灣區發展有限公司), a red chip company listed on the HKEx, stock code: 00737.
Shenwan Infrastructure	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited (深灣基建(深圳)有限公司).

Xintang JV	Guangzhou Zhentong Development Company Limited (廣州臻通實業發展有限公司)
Guangshenzhu Company	Guangshenzhu Expressway Co., Ltd, which is mainly engaged in the investment, construction, operation and management of Guangzhou-Shenzhen Expressway. It has completed its restructuring and organisational institution change registration by April 2025. Bay Area Development is indirectly entitled a 45% profit-sharing interest in Guangshenzhu Company.
Hopewell Development	Hopewell China Development (Superhighway) Limited (合和中國發展(高速公路)有限公司).
GS Expressway, the Guangzhou-Shenzhen section of G4	The Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway (G4), starting from Huangcun interchange in Tianhe District, Guangzhou in the north, ends at Huanggang Checkpoint in Futian District, Shenzhen in the south, with a total length of approximately 122.8 km.
GZ West Expressway	Guangzhou-Zhuhai West Expressway, comprising Phase I, Phase II and Phase III, starts from Hainan interchange of Liwan District, Guangzhou in the north and to Yuehuan Interchange of Tanzhou Town, Zhongshan in the south, with a total length of approximately 98 km.
Shenzhen-Zhongshan Link	A cross-sea passage connecting Shenzhen with Zhongshan and Guangzhou in Guangdong Province.
Shenshan Environmental Park Project	The entrusted construction and management project for the whole process in relation to the infrastructure and ancillary projects for Shenshan Eco-Environmental Science and Technology Industrial Park which is undertaken by the Group.
Guilong Project	The construction project of phase I of Guilong Road in Longli, Guizhou under BT model and the primary development project of relevant land which is undertaken by the Group.
Longli River Bridge Project (Former Duohua Bridge Project)	A road construction project from Jichang Village to Duohua Village in Longli County undertaken by Guishen Company under BT model. The major part of the project is Longli River Bridge.
Bimeng Project	The Bimeng Garden community resettlement project in Longli, Guizhou is undertaken by the Group with BT model.
Guizhou Property	Guizhou Shenzhen Expressway Property Company Limited (貴州深高速置地有限公司).
Guizhou Hengtongli	Guizhou Hengtongli Property Company Limited (貴州恒通利置業有限公司).
Meilin Checkpoint Renewal Project	The Urban Renewal Project of Meilin Checkpoint of Minzhi Office in Longhua District, the entity which carried out the project is United Land Company.

Shenzhen Water Planning	Shenzhen Water Planning & Design Institute Company Limited (深圳市水務規劃設計院股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 301038.
Derun Environment	Chongqing Derun Environment Company Limited (重慶德潤環境有限公司).
Chongqing Water	Chongqing Water Group Company Limited (重慶水務集團股份有限公司), a company listed on the SSE, stock code: 601158.
Sanfeng Environment	Chongqing San Feng Environmental Industrial Group Company Limited (重慶三峰環境集團股份有限公司), a company listed on the SSE, stock code: 601827.
Nanjing Wind Power	Nanjing Wind Power Technology Company Limited (南京風電科技有限公司).
Baotou Nanfeng	Baotou Nanfeng Wind Power Technology Company Limited (包頭市南風風電科技有限公司).
New Energy Company	Shenzhen Expressway New Energy Holdings Company Limited (深圳高速新能源控股有限公司).
Shengneng Technology	Shenzhen Expressway Shengneng Technology Company Limited (深圳深高速晟能科技有限公司).
Guangdong New Energy	Shenzhen Expressway (Guangdong) New Energy Investment Company Limited (深高速(廣東)新能源投資有限公司).
Huai'an Zhongheng	Huai'an Zhongheng New Energy Company Limited (淮安中恒新能源有限公司).
SPIC Fujian Company	State Power Investment Corporation Fujian Electric Power Company Limited (國家電投集團福建電力有限公司).
Nanjing Avis	Nanjing Avis Transmission Technology Company Limited (南京安維士傳動技術股份公司).
Fenghe Energy	Shenzhen Fenghe Energy Investment Limited (深圳峰和能源投資有限公司).
Yongcheng Zhuneng	The 32 MW wind power project in Yongcheng City, Shangqiu City, Henan Province.
Zhongwei Gantang	The 49.5 MW wind power project in Gantang, Zhongwei City, Ningxia Province.
Xinjiang Mulei	The wind power project of Changji Mulei Laojunmiao Wind Farm in Xinjiang Zhundong New Energy Base, including Qianzhi, Qianhui and QianXin projects.
Qianzhi	Xinjiang Mulei County Qianzhi New Energy Development Company Limited (新疆木壘縣乾智能源開發有限公司).
Qianhui	Xinjiang Mulei County Qianhui New Energy Development Company Limited (新疆木壘縣乾慧能源開發有限公司).

Qianxin	Xinjiang Mulei County Qianxin New Energy Development Company Limited (新疆木壘縣乾新能源開發有限公司).
Zhangshu Gaochuan	About 20 MW wind power generation project in Zhangshu City, Jiangxi Province.
Guangming Environmental Park Project	The Shenzhen Guangming Environmental Park Project, invested in and constructed by the Company under the BOT model.
Bioland	Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd (深高藍德環保科技集團股份有限公司).
Lisai Environmental	Shenzhen Lisai Environmental Technology Limited (深圳市利賽環保科技有限公司).
Shaoyang Project	The concession project of kitchen waste collection and disposal in Shaoyang, Hunan Province.
Unitoll Services	Guangdong Unitoll Services Incorporated (廣東聯合電子服務股份有限公司).
United Land	Shenzhen International United Land Company Limited (深圳市深國際聯合置地有限公司).
Shenzhen Expressway Lekang	Shenzhen Expressway Lekang Health and Elderly Care Services Limited (深高速深高樂康健康服務(深圳)有限公司).
Fengrunjiu	Shenzhen Guangming Fengrunjiu Health Services Limited (深圳光明鳳潤玖健康服務有限公司).
BOT (model)	Build-Operate-Transfer model.
EPC (model)	Engineering Procurement Construction model.
BIM	Building Information Modelling, which is a model equipped with a complete and realistic construction database by building a virtual three-dimensional construction model and using digitisation technology.
ETC	Electronic Toll Collection, a system used to electronically collect tolls on highways.

Note:

1. For principal business of the investee companies of the Company, please refer to the Group Structure in “Introduction of the Company” of this report.

2. For information on the projects operated, invested and managed by the Company, please refer to the website of the Company at http://www.sz-expressway.com.

II. Cautionary Statement on Risk

Detailed analysis and description on the future operation and development of the Group were set out in “Management Discussion and Analysis” of this Annual Report. Investors’ inspection and attention are reminded.

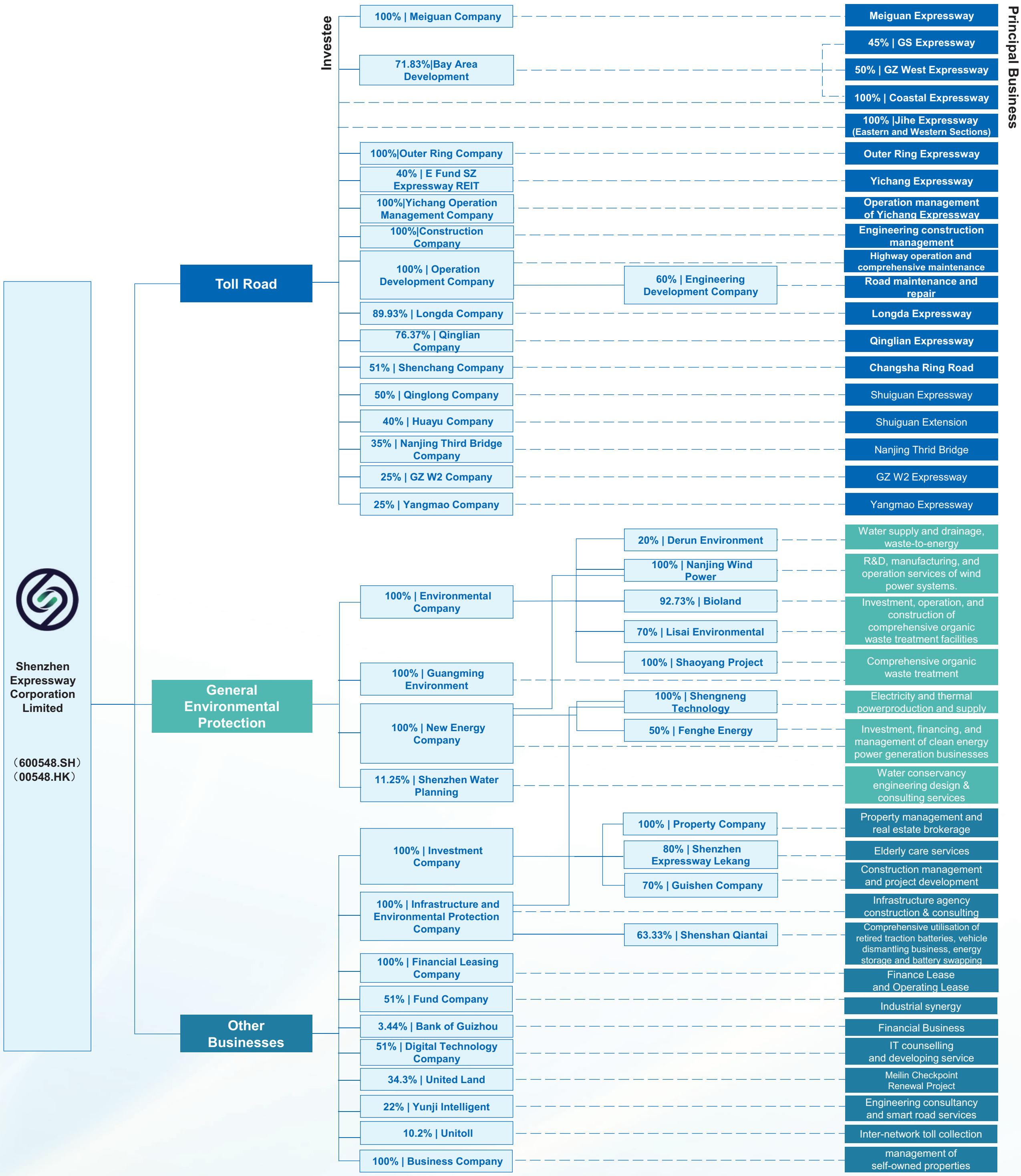
Introduction of the Company

Incorporated in Shenzhen on 30 December 1996, the Company principally engages in the investment, construction, operation and management of toll highway, as well as the general-environmental protection business. At present, the general-environmental protection business mainly includes solid waste recycling management, and clean energy power generation. In addition, the Company provides construction management and highways operation maintenance services for the government and other enterprises. Building on relevant management experience and resources and relying on its core business, the Company has launched in the related businesses such as project development and management, road operation and maintenance, intelligent transportation, engineering management and industrial financial services.

As of the end of the Reporting Period, the Company operated and invested in a total of 16 highway projects. The total mileage of the high-grade highways invested in or operated by the Company (on equity basis) is approximately 613 kilometres. The Company participated in regional urban infrastructure development projects and invested in environmental protection, clean energy, and industrial financial projects, and set up multiple platform companies: Investment Company, Construction Company, Operation Development Company, Environmental Company, Urban Infrastructure Company and New Energy Company, etc.

As at the end of the Reporting Period, the Company had 2,537,856,127 ordinary shares in issue, of which 1,790,356,127 A Share are listed on SSE and 747,500,000 H Share are listed on HKEx, representing approximately 70.55% and 29.45% of the total share capital of the Company respectively. The Company's largest shareholder is XTC Company, one of its promoters, which currently holds approximately 28.793% of the Company's shares. XTC Company is a wholly-owned subsidiary of Shenzhen International (stock code: 00152), a company listed on the HKEx. Shenzhen International indirectly holds a total of 47.30% of the Company's shares and is the Company's indirect controlling shareholder.

As at the end of this report, the main investment investee companies and business structure of the group are shown in the chart below:



Note: This structure chart primarily includes the first level and the second level subsidiaries and joint-stock enterprises of the group, and the third level and below subsidiaries and joint-stock enterprises are not listed.

Financial and Operational Highlights

I. Financial Data and Financial Indicators of the Year

Item (Unit: RMB)	2025	2024	Change as compared to last year (%)	2023
Revenue	**9,264,480,541.03**	9,245,691,487.27	0.20	9,295,304,371.69
Total Profit	**1,646,883,407.03**	1,758,426,412.29	-6.34	2,915,633,626.92
Net profit attributable to owners of the Company	**1,149,351,721.66**	1,145,048,951.69	0.38	2,327,197,196.81
Net profit attributable to owners of the Company – excluding non-recurring items	**1,124,058,666.52**	1,074,021,625.75	4.66	2,240,100,027.08
Net cash flows from operating activities	**4,623,661,085.18**	3,717,306,471.14	24.38	4,094,812,227.87

Item (Unit: RMB)	As at 31 Dec. 2025	As at 31 Dec. 2024	Change as compared to last year (%)	As at 31 Dec. 2023
Owners' equity attributable to owners of the Company	**27,031,138,112.07**	21,903,521,723.27	23.41	22,357,997,457.11
Total assets	**71,289,150,413.25**	67,558,030,948.58	5.52	67,507,469,090.77

Item	2025	2024	Change as compared to last year (%)	2023
Earnings per share – basic (RMB/share)	**0.429**	0.441	-2.72	0.982
Earnings per share – diluted (RMB/share)	**0.429**	0.441	-2.72	0.982
Earnings per share excluding non-recurring items – basic (RMB/share)	**0.418**	0.409	2.20	0.942
Return on equity – weighted average (%)	**4.86**	5.31	Decrease 0.45 pct.pt	11.99
Return on equity excluding non-recurring items – weighted average (%)	**4.74**	4.93	Decrease 0.19 pct.pt	11.53

Description of Principal Accounting Data and Financial Indicators of the Company for the first three years at the end of the Reporting Period:

1. In 2025, the Company issued 4 billion of perpetual corporate bonds to refinance 4 billion of perpetual bonds issued in 2020 and recognised them in other equity instruments. The Company deducted the impact of perpetual bonds when calculating the earnings per share and weighted average return on net assets for each year according to relevant regulations.

II. Major quarterly Financial Data for 2025

Item (Unit: RMB)	The first quarter (Jan.-Mar.)	The second quarter (Apr.-Jun.)	The third quarter (Jul.-Sep.)	The fourth quarter (Oct.-Dec.)
Revenue	1,771,765,261.39	2,146,790,079.35	2,131,000,236.75	3,214,924,963.54
Net profit attributable to owners of the Company	478,007,244.10	481,884,746.74	510,395,317.56	-320,935,586.74
Net profit attributable to owners of the Company – excluding non-recurring items	466,270,240.35	433,380,978.50	507,500,271.59	-283,092,823.92
Net cash flows from operating activities	980,875,169.00	974,103,821.73	1,653,288,015.31	1,015,394,079.14

III. Non-recurring items and their amounts

Non-recurring item (Unit: RMB)	2025	Notes (If applicable)	2024	2023
Gains or losses on disposal of non-current assets, including the reversal of previously recognised asset impairment provisions	**1,167,079.27**		157,756,606.01	13,990,976.35
Government grants included in the current period's profit or loss, except for those closely related to the company's normal business operations, in compliance with national policy regulations, enjoyed according to established standards, and having a continuous impact on the company's profit or loss	**31,698,241.59**		5,803,873.49	24,318,693.79
Except for effective hedging activities related to the normal business operations of the company, the gains and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as the gains and losses from the disposal of financial assets and financial liabilities	**94,015,371.64**	Mainly due to the profit or loss from changes in the fair value of equity in associated companies	2,641,777.05	153,607,037.26
Capital occupation fee charged to non-financial enterprises included in current profit or loss				3,818,394.57
Other non-operating income and expenditure excluding above items	**-37,590,570.16**		-36,453,911.85	-97,127,523.44
Less: Income tax effects	**52,988,380.62**		55,879,463.02	45,477,192.83
Minority shareholder's interest effects (after taxes)	**11,008,686.58**		2,841,555.74	-33,966,784.03
Total	**25,293,055.14**		71,027,325.94	87,097,169.73

Financial and Operational Highlights

IV. Item Measured at Fair Value

Unit: Yuan, Currency: RMB

Item	Opening Balance	Ending Balance	Change during the Period	Effects on the total amount of profit of the Reporting Period
Transactional financial assets (Liabilities are expressed with "-")	-197,664,719.66	-270,588,092.75	-72,923,373.09	-78,903,361.73
Transactional financial assets (Liabilities are expressed with "-")	129,822,937.64	2,557,452,332.60	2,427,629,394.96	33,598,375.80
Other non-current financial assets	970,911,383.44	1,086,963,286.26	116,051,902.82	139,320,357.57
Total	**903,069,601.42**	**3,373,827,526.11**	**2,470,757,924.69**	**94,015,371.64**

Note: The Company mainly utilises a portion of temporarily idle raised funds and its own funds to purchase structured deposits.

V. Statistics Summary for Last Five Years

Average Daily Toll Revenue (Unit: RMB'000)					
Project	**2025**	**2024**	**2023**	**2022**	**2021**
Meiguan Expressway	**413.5**	431.3	427.4	373.2	448.9
Jihe East	**1,893.4**	1,829.7	1,861.0	1,733.0	2,012.4
Jihe West	**1,550.8**	1,495.5	1,498.1	1,284.0	1,526.7
Shuiguan Expressway	**1,716.3**	1,728.7	1,741.9	1,565.6	1,808.7
Shuiguan Extension	**182.2**	190.7	214.3	189.2	244.1
Coastal Project	**2,154.6**	2,011.7	1,724.1	1,317.8	1,619.6
Outer Ring Project	**3,318.5**	3,196.0	3,270.4	2,615.6	2,523.5
Longda Expressway	**420.4**	434.2	426.6	361.0	400.1
Qinglian Expressway	**1,881.1**	1,728.8	1,862.0	1,686.1	2,399.5
GS Expressway (2)	**7,717.7**	7,883.0	7,923.8	6,186.4	–
GZ West Expressway (2)	**3,096.5**	3,466.3	3,572.2	2,862.4	–
Yangmao Expressway	**2,051.1**	2,089.2	2,063.9	1,681.9	1,352.6
GZ W2 Expressway	**1,374.3**	1,394.6	1,365.6	1,109.6	1,380.4
Changsha Ring Road	**689.5**	716.8	730.4	650.9	816.3
Nanjing Third Bridge	**1,536.8**	1,434.6	1,509.7	1,250.1	1,301.3
Yichang Project	**945.7**	1,063.0	1,183.6	1,059.7	1,277.5

Note:

1. The average daily toll revenue in the above table is tax-excluded.
2. The Group indirectly holding approximately 71.83% equity interests in Bay Area Development, which in turn indirectly holds a 50% interest in GZ West Expressway and a 45% interest in GS Expressway.

Financial Highlights (Unit: RMB million, unless otherwise stated)					
Item	**2025**	**2024**	**2023**	**2022 (restated)**	**2021 (restated)**
Revenue	**9,264**	9,246	9,295	9,373	10,890
Of which: Toll revenue	**5,124**	5,053	5,375	4,978	5,893
Profit before interests and tax	**2,470**	2,781	4,105	3,597	4,419
Net profit	**1,149**	1,145	2,327	2,016	2,618
Net cash inflows from operating activities	**4,624**	3,717	4,095	3,369	3,757
Interest covered multiple (times)	**3.00**	2.69	3.42	3.16	4.05
Earnings per share (RMB)	**0.429**	0.441	0.982	0.839	1.115
Cash dividends per share (RMB)	**0.244**	0.244	0.55	0.462	0.62

Item	2025	2024	2023	2022 (restated)	2021 (restated)
Total assets	**71,289**	67,558	67,507	69,205	72,312
Total liabilities	**39,237**	40,356	39,509	41,841	40,772
Total equity	**32,052**	27,202	27,999	27,364	31,539
Debt-to-asset ratio (%)	**55.04**	59.74	58.53	60.46	56.38
Gross liabilities-to-equity ratio (%)	**122.41**	148.36	141.11	152.90	129.28
Net borrowings-to-equity ratio (%)	**83.24**	108.03	106.18	110.12	79.12
Net assets per share (RMB)	**9.08**	8.21	8.42	7.96	9.89

Note:

1. In 2022, the acquisition of 100% equity in Shenzhen Investment Holdings Infrastructure (holding 71.83% equity in Bay Area Development and consolidating its financial statements) was completed. During the year of acquisition completion, the aforementioned enterprises were included in the Group's consolidation scope under the same control, and retrospective adjustments were made to the consolidated financial statements of previous years.

Description of principal financial ratios

Profit before interests and tax	=	Net profit + Income tax expenses + Interest expenses
Net cash inflows from operating activities and cash return on investments	=	Net cash flows from operating activities + Cash received from disposal of investments + Cash received from returns on investments
Interest covered multiple	=	Profit before interests and tax/Interest expenses
Debt-to-asset ratio	=	Total liabilities/Total assets
Gross liabilities-to-equity ratio	=	Total liabilities/Total equity
Net borrowings-to-equity ratio	=	(Total amount of borrowings – Cash and cash equivalents)/Total equity

Events of the Year

01 Operation Management

January	◆ Mr. Xu En Li, Ms. Wu Yan Ling and Ms. Zhang Jian were elected as Directors of the ninth session of the Board, with Mr. Xu En Li elected as Chairman of the Board of the Company.
	◆ The Company issued the 2025 phase I and phase II medium-term notes, with issuance sizes of RMB1.0 billion and RMB0.5 billion, respectively, both with a term of three years and a coupon rate of 1.7%.
	◆ Mr. Dai Jing Ming resigned as a Director of the Company.
February	◆ The Shenzhen Guangming Environmental Park Project entered the operation phase.
	◆ Shenshan Qiantai successfully obtained approval for the "Guangdong Provincial Engineering Technology Research Centre for Lithium Battery Recycling".
March	◆ The Kengzi East Interchange of the Outer Ring Expressway was put into operation.
	◆ The Company issued RMB2.3 billion of 2025 corporate bonds (phase I) with a term of five years and a coupon rate of 2.29%.
	◆ The Company issued 357,085,801 A shares at an issue price of RMB13.17 per share, raising net proceeds of RMB4,679,236,514.71.
	◆ The Company released its annual results for 2024.
April	◆ The Xinwei Toll Station of the Outer Ring Expressway commenced operation.
	◆ The Company issued RMB1.5 billion of the 2025 phase I ultra-short-term financing notes with a term of 270 days and a coupon rate of 1.64%.
	◆ The Company publicly issued 2025 phase I perpetual corporate bonds to professional investors, of which type I had an issuance size of RMB1.0 billion with a basic term of three years and a coupon rate of 2.05%, and type II had an issuance size of RMB1.0 billion with a basic term of five years and a coupon rate of 2.20%.
	◆ The Company released its results for the first quarter of 2025.
May	◆ The Company publicly issued 2025 phase II perpetual corporate bonds to professional investors, of which type I had an issuance size of RMB1.0 billion with a basic term of three years and a coupon rate of 2.05%, and type II had an issuance size of RMB1.0 billion with a basic term of five years and a coupon rate of 2.18%.
June	◆ A final dividend for the year 2024 was declared at RMB0.244 per share (tax inclusive).
	◆ Mr. Chen Yun Jiang was elected as a Director of the ninth session of the Board.
July	◆ Approval was obtained for the establishment of two "Shenzhen Postdoctoral Innovation Practice Bases".
August	◆ The Company released its interim results for 2025.
September	◆ The inclined shaft of the Tiantoushan Tunnel of Phase III of the Outer Ring Expressway was successfully completed.
October	◆ The Company released its results for the third quarter of 2025.
November	◆ Mr. Wen Liang resigned as a Director of the Company.
December	◆ The Qinglian Expressway photovoltaic project completed its first grid connection, and Guangdong Province's first expressway "Zero-Carbon Management Centre" was officially completed and put into operation at the Qinglian Expressway.
	◆ Ms. Jin Zhen Yuan and Mr. Hou Sheng Hai were elected as Directors of the ninth session of the Board.
	◆ The cancellation of the Supervisory Committee and the amendments to the Articles of Association and relevant rules of procedure were approved at the general meeting of shareholders.

02 Honors and Awards Received

January

- Awarded the "Best Listed Company Award" in the "2024 Best Listed Company Selection" by New Fortune Magazine.
- Received the "Best Capital Market Communication Award", "Best Information Disclosure Award" and "Best Investor Relations Project Award" in the "8th China Excellent IR Awards".
- Received the "Best Communication and Interaction Award" in the "2024 Annual Investor Relations Data Ranking of Listed Companies" by Finenter.
- The Longli River Bridge Project was awarded the "Guizhou Provincial Quality Engineering Award" in the "2024 Guizhou Provincial Quality Engineering Selection".

April

- Two intelligent transportation innovation cases – the "People-Vehicle-Road-Life" four-dimensional integrated operation model project and the new toll collection model application project at the G94 Guanlan Toll Station – were selected as representative cases of expressway operation and management by the China Highway & Transportation Society in 2024.
- Awarded the "2024 Best Capital Operation Project Award" in the "21st New Fortune Gold Medal Board Secretary & 8th New Fortune Best IR Hong Kong-listed Company" selection.
- Awarded as an outstanding participant in public infrastructure REITs by the Shanghai Stock Exchange.

May

- Selected as a "Best Practice in Investor Relations Management" case by the China Association for Public Companies.

June

- Awarded the "Investor Relations Management – Shareholder Return Award" at the "16th China Listed Companies Investor Relations Pegasus Awards" by Securities Times.

August

- The scientific and technological achievement "Key Technology Research and Application of Domestic Operating Systems for Highway Mechanical and Electrical Engineering" participated in by the Company was awarded the Special Prize of the "Mao Yisheng Science and Technology Award – Transportation Science and Technology Award".
- Selected as a "Typical Brand Development Case" in the Shenzhen Brand Development White Paper (1980-2025), and awarded the titles of "Outstanding Brand" and "Industrial Innovation Brand".

September

- Included in the "Greater Bay Area State-owned Enterprise ESG Development Index" in the 2025 ESG rating of state-owned enterprise-controlled listed companies in the Guangdong-Hong Kong-Macao Greater Bay Area, ranking 23rd, and selected as one of the Top Ten cases in the "Focusing on Strengthening Core Business" section of the Blue Book of Social Value of State-owned Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area (2025).
- Awarded the "Listed Company with the Best Investor Relations Management" in the "Golden Kunpeng" China Financial Value Ranking by Hong Kong Commercial Daily.

October

- Awarded the "ESG Professional Award for Excellent Environmental Performance", "ESG Professional Award for Excellent Social Performance" and "ESG Commendation Certification" by Sing Tao News Group and The Hong Kong Polytechnic University.
- The innovative operation model under the "People-Vehicle-Road-Life" four-dimensional integration was selected as a "Typical Case of Digital Transformation in the Transportation Industry".
- In the 2025 "Shijin Cup" BIM Technology Competition organised by the China Communications and Transportation Association, the submitted achievements of the Jihe Expressway R&E Project and Phase III of the Outer Ring Expressway won the First Prize and Third Prize, respectively.

November

- The Hengling Service Area of the Outer Ring Expressway was awarded Grade I Service Area in the "2025 National Expressway Service Area Service Quality Rating".
- Lisai Environmental Protection was awarded the Second Prize of the "Environmental Protection Science and Technology Award – Scientific and Technological Progress Award" for 2025 by the Chinese Society for Environmental Sciences.
- Selected as cases of "Best Practices of Listed Company Boards in 2025" and "Best Practices in Sustainable Development of Listed Companies in 2025" by the China Association for Public Companies.
- Awarded the "Best Sustainable Development Information Disclosure Award" by New Fortune Magazine 2025.
- Recognised by the China Association for Quality as a "2025 Brand Innovation Achievement – Brand Management Innovation: Potential Level".
- Awarded the title of "Outstanding Leading Enterprise" by the Futian District Government of Shenzhen.

- Awarded the "Hong Kong-listed Golden Bull Award – Shareholder Return Golden Bull Award" by China Securities Journal.
- Awarded "Top 20 in Information Disclosure" and "Top 20 Board Secretaries" among Greater Bay Area listed companies in 2025 by the Shenzhen Research Association of Corporate Governance.

December

- The submitted achievements of the Jihe Expressway R&E Project and Phase III of the Outer Ring Expressway won the Second Prize and Third Prize, respectively, at the 14th "Innovation Cup" Building Information Modelling Application Competition of the China Engineering & Consulting Association in 2025.
- Shortlisted in the "Top 100 Green Innovation Index of Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area".
- Awarded the "Best Practices of Listed Company Board Office in 2025" and the "Best Practices of Annual Results Briefing for 2025" by the China Association for Public Companies.

- Awarded the "Most Socially Responsible Listed Company Award" by National Business Daily.
- Awarded the "Golden Quality Outstanding Party Building Award" by Shanghai Securities News.

Steady and Steadfast, Forward with Innovation

XU EN LI

Chairman

In 2025, under the strategic guidance of the Board, all members of Shenzhen Expressway, anchored by the mission of "Building high-quality infrastructure to serve a better urban life" and closely following the dual themes of "Seamless transition between strategic cycles" and "High-quality development", faced challenges head-on and forged ahead with determination. Solid results were achieved in areas including major project construction, quality and efficiency enhancement of core businesses, innovation of management mechanisms, and the transition towards green and low-carbon development. Overall operations maintained a stable growth momentum with quality improved, laying a solid foundation for a strong start to the 15th Five-Year Plan period.

In 2025, the Group recorded operating revenue of approximately RMB9,264 million, remaining broadly flat year-on-year. Net profit attributable to shareholders of the parent company reached RMB1,149 million, remaining broadly flat year-on-year, with basic earnings per share at RMB0.429. Always upholding a responsible attitude towards shareholders, the Group seeks to balance long-term value creation with reasonable short-term returns. The Board has proposed a final cash dividend of RMB0.244 per share for 2025, with a pay-out ratio of approximately 58.85%. The proposal will be implemented upon approval at the Annual General Meeting.

2025 Business Review

During the Reporting Period, at the critical juncture of concluding the 14th Five-Year Plan and formulating its new development strategies, the Group systematically deployed and solidly advanced its annual business plans with the trust of its shareholders, governments at all levels and the wider community. By focusing on the high-quality development of our core businesses and the optimisation of resource allocation, and holding firm the bottom line of risk prevention and compliance, the Group maintained steady overall business operations and development.

Deepening Core Business Commitments to Consolidate the Foundation for High-Quality Development

Toll highways are the cornerstone of the Group's existence and development. In 2025, we continued to deepen the refined operation model with "tailored strategies for each road and toll station". Leveraging digital technologies such as big data, cloud computing, and artificial intelligence, we upgraded our systems for road network monitoring, command dispatch, and coordinated emergency response. These efforts lifted traffic efficiency, service quality, and management effectiveness, achieving dual enhancements in both service capacity and operational performance.

In terms of major project construction, key new and expansion projects, including the Outer Ring Phase III, the Jihe Expressway and the Guangzhou-Shenzhen section of the Beijing-Hong Kong-Macau Expressway, progressed steadily. These projects are not only critical arteries within the Greater Bay Area's transportation network but also strategic pillars underpinning the Group's growth for the next two decades. Upon completion, they will expand our core toll road assets significantly, optimise the regional road network structure, unlock network synergy effects, and further consolidate our leading position in the toll road industry while delivering enhanced economic and social benefits.

Opening New Horizons to Ignite Green Growth Momentum

In light of the national goals of carbon peaking, carbon neutrality and energy structure transition, the Group proactively expanded into the clean energy sector and vigorously developed "Highway Plus" derived businesses, thereby driving the orderly launch of its second growth curve. In 2025, the Group scaled up its power generation business, with pilot distributed photovoltaic projects commissioned and a preliminary framework established for the coordinated development of wind and solar power. We advanced potential transportation-energy integration projects across our road assets in a phased manner and inaugurated Guangdong's first "Zero-carbon management centre" for expressways on the Qinglian Expressway during the year. As of the end of the Reporting Period, the Group's attributable total installed capacity of clean energy reached 686MW. On-grid electricity output for the period amounted to 1,534,184 MWh, equivalent to a reduction of over 1.395 million tons of carbon dioxide emissions, increasingly highlighting the value of our green development.

Precise Financing to Strengthen Capital and Financial Resilience

Capital is the lifeblood of corporate development. In 2025, the Group proactively seized market windows and flexibly utilised a diversified portfolio of financing tools. We successfully issued multiple tranches of ultra-short-term financing bills, medium-term notes, corporate bonds and renewable corporate bonds, effectively replacing higher-cost debt and supplementing working capital. The Group also signed long-term loan contracts to ensure stable funding for major project construction. For the full year, its average financing cost decreased by 0.69 percentage points year-on-year, and its financial structure continued to improve.

Notably, the Group successfully completed the issuance of A shares to targeted investors during the year, raising RMB4.703 billion (inclusive of issuance expenses), which was mainly used for the construction of the Outer Ring Phase III project. This private placement brought in strong industrial investors, which not only enhanced the Group's capital strength but also deepened industrial synergies, injecting new vitality into the Group's long-term development.

Enhanced Governance to Consolidate Compliance and Risk Control Systems

High-quality development is underpinned by high-standard governance. In 2025, the Group further refined its governance system through the following measures: amending the Articles of Association and relevant rules of procedure to optimise the operating mechanisms of the Board and its specialised committees, thereby making its decision-making and supervision more scientific and effective; setting up the ESG Committee to integrate ESG concepts into the corporate governance framework; setting up the Compliance Committee to strengthen synergy between compliance management and the internal control system, and build a risk prevention and control system that covers all business lines and processes; and improving the look-through management model for subsidiaries while implementing differentiated control strategies, thereby comprehensively enhancing the Group's governance effectiveness and execution efficiency.

A description of the operation of the Group's business segments during the Reporting Period is set out in the "Management Discussion and Analysis" section of this annual report. For details, please refer to the report made by the Management of the Company.

Future Outlook: Forging a New Chapter of the 15th Five-Year Plan Period with Strategic Resolve

At a historic juncture, macro policies continue to inject certainty to the real economy and the infrastructure sectors. The Central Economic Work Conference held in December 2025 clearly set the overarching tone of "seeking progress while maintaining stability, and enhancing quality and efficiency", emphasizing the need to "reverse the decline in investment and stabilise investment growth", "implement a more proactive fiscal policy and a moderately accommodative monetary policy", and "fully advance the green and low-carbon transition". These initiatives present major opportunities for the transport infrastructure and clean energy industries.

Looking ahead into 2026 and the 15th Five-Year Plan period, the Group will uphold the strategic principle of "focusing on core responsibilities and main businesses while advancing and withdrawing as appropriate". Guided by the development direction to "further consolidate and upgrade the core toll road business, develop the clean energy sector in line with market trends, and foster strategic emerging industries in a phased manner", we will build on the core competitiveness and long-term sustainability of our main businesses on a continual basis.

Strengthening the Core Toll Road Business: In alignment with the "integration of construction, management and maintenance", the Group will deepen digital and intelligent empowerment, driving the in-depth application of artificial intelligence, the Internet of Things and other technologies in maintenance, toll collection, traffic despatch and other scenarios to continuously reduce costs and improve efficiency. Meanwhile, we will actively pursue attractive investment and acquisition opportunities for road assets to optimise our regional footprint and enhance value across the industrial chain.

Upgrading the Clean Energy Sector: The Group will focus on core segments such as wind power and photovoltaic power. We will build on our capacities in market expansion, cost control and market-oriented electricity trading. We will accelerate the transformation of our business model from pure power generation to integrated energy provision, explore the integrated "source-grid-load-storage" model, and strive to build a competitive green energy platform.

Sustaining Industrial Upgrading: The Group will stay committed to industrial transformation and development, pursuing smart, green and integrated growth. We will focus on diversified fields related to our core businesses and expand our operations through the "Highway Plus" ecosystem. By prioritising exploratory research and pilot deployment, we will foster new quality productive forces in light of local conditions.

Charting the Blueprint for Future Development: The Group's 15th Five-Year Development Strategy currently being formulated will be grounded in national strategic directions, industrial transformation trends, and its distinctive resource endowments. It will define a clear pathway for transformation from "scale growth" to "value creation", highlighting quality first, innovation-driven and sustainable development, providing clear guidance for the Group's long-term steady development.

For nearly three decades, Shenzhen Expressway has advanced steadily in the tide of the times underpinned by a sound governance structure, a professional management team and quality infrastructure assets. While we are well aware that challenges lie ahead, we are even more convinced that only through proactive adaptation and unwavering resolve can we break new ground in an evolving landscape.

In 2026, all member of Shenzhen Expressway will continue to steer the course with strategic focus and pursue new growth opportunities with a pioneering spirit. While consolidating the advantages of its core business, the Group will steadily advance green, smart and integrated development, striving to make our smart foundation more distinct, our green momentum more robust, and our development outcomes more promising.

Acknowledgement

On behalf of the Board of the Company, I would like to take this opportunity to express my sincere gratitude to our shareholders, investors and business partners who have been caring for and supporting Shenzhen Expressway's development. I would also like to thank the Board and the Management for their vision and commitment, and all our employees for their diligence and dedication.

It is precisely this power of unity and shared endeavour that has enabled us to weather economic cycles and forge ahead with resolve. Going forward, we will continue to stand shoulder to shoulder as we embark on a new journey of high-quality development.

Xu En Li
Chairman
Shenzhen, the PRC, 25 March 2026

LIAO XIANG WEN

President

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

I. Particulars of the Business in which the Company Operates During the Reporting Period

(I) Overview of Principal Business

The Group principally engages in the investment, construction, operation and management of toll highways, as well as the general-environmental protection business. Currently, the Group's general-environmental protection business mainly includes clean energy power generation and solid waste recycling and treatment. By adhering to a market-oriented, specialised and industrialised approach, the Group has gradually established various business platforms for urban infrastructure, operation, construction, new energy and environmental protection, which include the Operation Development Company, a company principally engaging in highway operation and maintenance management services; the New Energy Company, a company principally engaging in the businesses relating to wind energy, photovoltaics and other new energy power generation; Environmental Company, a company principally engaging in the environmental protection business such as solid waste recycling and treatment; the Infrastructure and Environmental Protection Company, a company located in Shenzhen-Shanwei Special Cooperation Zone that engages in the provision of infrastructure construction management services for the cooperation zone and environmental project investment within the cooperation zone; the Construction Company, a company principally engaging in the provision of project construction management services; and the Investment Company, a company principally engaging in the business of infrastructure construction along with comprehensive development of land. Through the aforesaid business platforms, the Group will give full play to its competitive advantages in infrastructure investment and financing, construction, operation and integrated management and moderately extend its operations in the upstream and downstream segments of the industrial chain, in a bid to broaden its business footprint.

The objectives and directions of the Group's 14^{th} Five-Year Plan (2021-2025) Development Strategy (the "Development Strategy") are to deepen our presence in Shenzhen and the Guangdong-Hong Kong-Macao Greater Bay Area while seeking nationwide expansion. With a focus on "innovation, intelligence, green development, and efficiency", we provide sustainable development solutions for cities and strive to become a first-class service provider in infrastructure construction and operation, covering areas such as road transportation and environmental protection. Our aims are to scale up business, optimise structures, enhance capabilities, and improve mechanisms. 2025 marked the conclusion of the Group's 14^{th} Five-Year Strategy and served as the planning year for the 15^{th} Five-Year Development Strategy. The Group has conducted a comprehensive assessment and review of the implementation of the 14^{th} Five-Year Strategy and is formulating the 15^{th} Five-Year Development Strategy to set out the development goals, directions and strategies for the next stage, thereby driving high-quality and sustainable business development of the Group. For details, please refer to "Discussion and Analysis on the Future Development of the Company".

Management Discussion and Analysis

The toll highway business currently represents the Group's primary source of revenue and profit. As at the end of the Reporting Period, the core businesses of the Group are set out as follows:

Shenzhen Expressway Corporation Limited

Icon: ◆ Consolidated project ◇ Non-consolidated project

Main Toll Highway Business

Shenzhen region:

◆ Meiguan Expressway	100%
◆ Jihe East	100%
◆ Jihe West	100%
◆ Coastal Project Note 3	100%
◆ Outer Ring Project	100%
◆ Longda Expressway	89.93%
◆ Shuiguan Expressway	50%
◇ Shuiguan Extension	40%

Other regions in Guangdong Province:

◆ Qinglian Expressway	76.37%
◇ GS Expressway Note 2	45%
◇ GZ West Expressway Note 2	50%
◇ Yangmao Expressway	25%
◇ GZ W2 Expressway	25%

Other Provinces in the PRC:

◆ Changsha Ring Road	51%
◇ Nanjing Third Bridge	35%
◇ Yichang Project Note 4	40%

General Environmental Business

◆ Environmental Company Note 1	100%
◆ New Energy Company Note 1	100%
◆ Infrastructure and Environmental Protection Company Note 1	100%
◇ Shenzhen Water Planning	11.25%

Entrusted Management and Other Infrastructure Development

Industrial-Financial Integration

Other Businesses

◆ Digital Technology ◇ Engineering Consulting ◇ Inter-network Toll Collection

Note 1: The Company directly or indirectly holds equity interests in a number of general-environmental protection projects through environmental, new energy and infrastructure environmental protection platform companies.

Note 2: The Company indirectly holds interests in GS Expressway and GZ West Expressway through holding 71.83% of the shares of Bay Area Development.

Note 3: The Company directly holds 49% of the equity in Coastal Project, and indirectly holds 51% of the equity in Coastal Project through Bay Area Development.

Note 4: The Company indirectly holds interest in the Yichang Project through holding 40% of the E Fund SZ Expressway REIT.

(II) Particulars of the Industry in which the Company Operates During the Reporting Period

In 2025, in the face of the complex and ever-changing external environment and the further deepening of domestic structural adjustments, the Chinese economy demonstrated strong resilience and maintained generally stable operation, underpinned by the continuous release of effects from national macroeconomic control policies. China's gross domestic product (GDP) reached RMB140.19 trillion in 2025, representing a YOY increase of 5.0%, while total imports and exports stood at RMB45.47 trillion, representing a YOY increase of 3.8%. The long-term trajectory of positive growth of the Chinese economy provided solid support for road transportation and logistics demand, which boosted the demand for environmental protection-related businesses such as clean energy power generation and solid waste recycling and treatment to some extent. Source of the above data: Government's data websites

1. Toll highway business

Expressways hold a paramount position in the modern transportation system, serving as critical infrastructure that enhances regional economic connectivity, facilitates the flow of goods and people, and boosts societal efficiency. As a vital component of the national high-speed transportation network, expressways continue to provide strategic support for advancing transport integration and infrastructure modernisation, leveraging their efficient, flexible, and all-weather transport capacity, thereby injecting enduring impetus for building a safe, convenient, and efficient modern integrated transportation system and promoting high-quality economic and social development.

During the 14th Five-Year Plan period, under the national initiative to build a modern integrated transportation system, China had achieved historic progress in expressway construction. According to information from the Ministry of Transport, as of the end of 2024, China had built the longest expressway network in the world, which spans 191,000 kilometres and connects 99% of cities with populations exceeding 200,000. As the expressway network continues to expand, the public's travel patterns have undergone profound changes. Self-drive travel has become the primary choice for cross -regional travel, with an average of approximately 130 million self-driving trips per day, accounting for over 70% of all cross-regional passenger traffic. As the rapid transit network with the most extensive coverage, the largest serving population, and the highest use frequency, expressways offer distinct advantages compared with other transportation modes, including high capacity, high speed, low travel costs, and high flexibility, which continue to serve as the backbone in the modern transportation system envisioned as "people travel with ease and goods flow seamlessly".

In 2025, many provinces and cities across China introduced various measures for differentiated toll collection, tailored to local road network structures and traffic volume characteristics. These measures leverage price mechanisms to guide balanced vehicle distribution and optimise the allocation of road network resources. In October, the fourth plenary session of the 20th Central Committee of the Communist Party of China (CPC) passed the Recommendations of the CPC Central Committee for Formulating the 15th Five-Year Plan for National Economic and Social Development (the Recommendations for the 15th Five-Year Plan), which identifies "building a leading transport nation" as one of the key tasks for modernising the industrial system and reinforcing the real economy. It outlines specific requirements for promoting high-quality development in the transportation sector during the 15th Five-Year Plan period and beyond, including improving the modern integrated transportation system, strengthening cross-regional coordination and planning, promoting multimodal integration, improving transportation links and services in remote areas, and enhancing the diversity and resilience of international transportation routes. The focus of the transportation industry will shift from scale expansion to the improvement of quality and efficiency, with greater emphasis on quality, efficiency, resilience, and integration. Through deepening integrated coordination, promoting in-depth application of new technologies, expanding low-carbon infrastructure, and balancing development and safety, the authorities will step up efforts to build a modern integrated transportation system, providing strong support for achieving the goal of Chinese modernisation.

As China's transportation development enters a new phase, the expressway industry faces new requirements. In the future, the industry will focus on advancing multimodal, cross-regional cross-sectional and cross-industry integration to enhance the resilience of the transport network system and accelerate the establishment of a safe and efficient modern logistics system featuring internal and external connectivity. Regarding intelligent transformation, it is essential to further advance the digital and intelligent upgrades of expressways. The expressway industry should apply new technologies including big data, AI and cloud computing in the areas such as traffic management, operation monitoring, emergency dispatch and service delivery to continuously enhance road management and service capabilities, to digitise facilities, specialise maintenance, modernise management, drive efficient operation, and optimise services, thereby consistently optimising operational performance, improving traffic efficiency and reducing operational costs. With respect to green and low-carbon development, the industry should strengthen the intensive utilisation of resources throughout the construction and operational processes, use low-carbon and energy-saving facilities and equipment and enhance ecological protection and pollution prevention and control, so as to promote the green development of the transportation sector.

The Group has invested in or operated 16 toll highway projects in total, with approximately 613 km under its controlling interest, mainly located in Shenzhen, the Guangdong-Hong Kong-Macao Greater Bay Area, and other economically developed regions with geographical advantages. Currently, the Group is actively promoting the investment and implementation of major construction, reconstruction and expansion projects such as Outer Ring Phase III, Jihe Expressway, and Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway, in order to keep enriching the Group's high-quality road assets. In addition, the Group actively leverages its professional expertise in expressway construction, management and maintenance, providing operational management and maintenance services for many expressways in Shenzhen. In recent years, the Group has actively promoted the research and application of intelligent transportation systems in response to the requirements of high-quality development. The successfully developed road network monitoring and command scheduling platform has been put into operation, serving as an intelligent application platform for road operation monitoring and management, business collaboration, joint emergency response, and more. The integrated pavement information control platform developed independently by the Group, the BIM-based expressway construction management platform, the integrated management and maintenance system and the BIM-based management platform for highway reconstruction and expansion projects and waste treatment plants have been completed and are being optimised constantly. By moderately expanding into the upstream and downstream segments of the industrial chain, the Group leverages digital and intelligent technologies to foster new quality productive forces for the modernisation of regional transportation. For details of the industry position of the Group, please refer to "Analysis of Core Competitiveness" below.

2. General-Environmental Protection Business

The Group's general-environmental protection business primarily focuses on the clean energy power generation and solid waste recycling management sectors.

◆ Clean Energy Power Generation Industry:

In 2025, China introduced a series of important policies and regulations in the new energy industry to accelerate the improvement of the energy market mechanisms and, through a combination of institutional constraints and industrial guidance, facilitate the realisation of energy security and low-carbon transition objectives.

The Energy Law of the People's Republic of China came into effect on 1 January 2025. As the first foundational and overarching law in China's energy sector, its ushers in a new stage of statutory governance in the energy sector. The Law established the "dual controls on carbon intensity and total emissions" targets as the pivotal mechanism for propelling green and low-carbon development, providing robust statutory support for achieving the "Dual Carbon" goals. The National Energy Administration (NEA) issued the *Guiding Opinions on Energy Work in 2025* (《2025 年能源工作指導意見》) in February 2025, calling for accelerated efforts to establish a new energy system, actively yet prudently advancing the green and low-carbon energy transition, and further improving policy mechanisms for green and low-carbon development. It also sets the following targets: adding more than 200 million kilowatts of new energy generation capacity, increasing the share of non-fossil energy in total installed power capacity to approximately 60%, and raising the proportion of non-fossil energy in the total energy consumption to approximately 20%. In October, the NEA issued the *Guiding Opinions on Promoting the Integrated Development of Renewable Energy* (《關於促進新能源集成融合發展的指導意見》), which proposed to accelerate the holistic and coordinated development of new energy across key dimensions such as spatial planning, technology deployment, and industrial synergy, specifically highlighting synergy across industries, such as new energy and transportation. It also sets the goal that by 2030, the integrated approach is set to become a predominant model for new energy development, significantly boost its viability as a reliable substitute and its market competitiveness, thereby providing robust support for the comprehensive green transition of the economy and society.

The year 2025 also saw the National Development and Reform Commission (NDRC) and the NEA jointly introduced a number of significant policies. In January, a circular was released, namely the *Notice on Deepening the Market-Oriented New Energy Feed-in Tariff Reform and Promoting the High-Quality Development of New Energy* (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》), mandating the full entry of new energy feed-in electricity into the power market for price formation through trading, and establishing a sustainable price settlement mechanism for new energy power generation, which implements mechanism-based differentiated tariffs for existing and incremental projects. In March, the *Notice on Matters Concerning the Orderly Promotion of the Development of Direct Green Power Connection* (《關於有序推動綠電直連發展有關事項的通知》) was promulgated, introducing an innovative model of localised new energy consumption. This model allows wind, photovoltaic (PV) power and other new energy projects to directly supply electricity to end-user enterprises via dedicated lines, and requires grid-connected direct connection projects to maintain a self-consumption rate of no less than 60% for new energy generation. In October, the *Guiding Opinions on Promoting New Energy Consumption and Regulation* (《關於促進新能源消納和調控的指導意見》) were issued, proposing the establishment of a multi-level new energy consumption and regulation system by 2030. Under this system, new electricity demand is to be primarily met by new energy generation, thereby accommodating the annual addition of over 200 million kilowatts of new energy capacity nationwide. By 2035, a new power system adapted to a high penetration of new energy is to be fundamentally established, where a nationwide unified electricity market plays a fundamental role in new energy allocation, enabling its optimised distribution and efficient consumption across the country. The *Opinions on Promoting the Large-Scale Development of Concentrated Solar Power (CSP)* (《關於促進光熱發電規模化發展的若干意見》) released in December further sets the goal that by 2030, China's total installed CSP capacity should strive to reach approximately 15 million kilowatts, achieving broad LCOE parity with coal-fired power.

The new energy policies in 2025 were strategically geared towards implementing market-based competition and grid integration mechanisms, achieving technological breakthroughs, and facilitating the transition of the energy structure. By systematically executing a package of policy measures, these policies aimed to propel the transformation and high-quality development of the new energy industry. China's institutional reform agenda included the comprehensive rollout of a dual-track system that integrates market trading with differential settlement for new energy feed-in electricity. This policy shift decisively ended the subsidy dependency, catalysing the industry's transformation from a policy-driven to a market competition-oriented model. This paradigm shift compels enterprises to enhance operational efficiency and cost-control capabilities. While it may trigger profound industry realignment and structural reshuffling in the near term, it is poised to give rise to a cohort of high-quality market players distinguished by technological leadership, managerial excellence, and global competitiveness in the long run. In terms of system support, efforts were made to enhance the new power system's hosting capacity to new energy by promoting its integrated and synergistic development, and to put in place a nationwide unified electricity market system, thereby providing institutional guarantees for new energy integration. Regarding technological innovation and industrial upgrading, policy priorities included fostering the large-scale development of frontier technologies such as concentrated solar power (CSP). Industrial agglomeration and cross-sector collaboration were encouraged to reduce costs and enhance the overall efficiency across the entire value chain. New energy enterprises were guided to increase R&D investment and technological innovation, improve their business operation and management capabilities, thereby facilitating the industry's transformative leap from "scale expansion" to "quality and efficiency".

The Group possesses an attributable clean energy installed capacity of approximately 686 MW and holds an equity interest in Nanjing AVIS; a company primarily focused on post-operation maintenance services for wind power projects. Furthermore, the Group holds a financial leasing business license, endowing it with synergistic capabilities that span the investment and operation of wind and solar power projects, the provision of post-warranty operation maintenance services, and project-specific financing support.

- Solid Waste Recycling Treatment Industry:

Strengthening solid waste recycling treatment is a pivotal initiative for advancing resource recycling and accelerating the comprehensive green transformation of economic and social development. As China's carbon peaking and carbon neutrality strategy advances, the integrated solid waste management (ISWM) has been elevated to a national strategic imperative.

On 8 November 2025, China's State Council Information Office released a white paper titled *Carbon Peaking and Carbon Neutrality China's Plans and Solutions* (《碳達峰碳中和的中國行動》), which identified "developing a circular economy and comprehensively improving resource utilisation efficiency" as one of the important pathways to achieve carbon peaking and carbon neutrality. China steadily advances the development of a waste recycling management system, implementing differentiated policies based on different utilisation methods for waste to promote the standardised, large-scale, and clean utilisation of renewable resources. The State Council executive meeting held on 19 December made arrangements for launching an ISWM campaign. It emphasised the need to resolutely curb the growth of solid waste and, in accordance with the principles of reduction, resource recovery, and harmless treatment, prioritise addressing solid waste issues closely linked to public livelihood and production safety. The meeting called for expediting the development of a full-chain, harmless management system designed to address the entire process from source reduction, classified collection, standardised storage, efficient transportation to safe disposal. It further resolved to accelerate the construction of associated infrastructure, enhancing the level of solid waste recycling, and unlocking the power of the market to foster the growth of the circular economy. The *CPC Recommendations for the 15th Five-Year Plan* (《「十五五」規劃建議》) further include objectives to refine the systems for aggregate resource management and comprehensive conservation, enhance capabilities in waste sorting and resource recovery so as to drive the growth of the circular economy. Leveraging solid waste recycling treatment as a central driver to stimulate growth across the industrial value chain represents a critical pathway for advancing the circular economy.

Furthermore, policies have been introduced in China regarding the recycling and comprehensive utilisation of retired power batteries from new energy vehicles (NEVs). In February 2025, the *Action Plan for Improving the Recycling System of NEV Power Batteries* (《健全新能源汽車動力電池回收利用體系行動方案》) was issued by the General Office of the State Council, requiring the accelerated formulation of relevant regulations to standardise recycling through legal means. In January 2026, the *Interim Measures for the Administration of Recycling and Comprehensive Utilisation of* NEV *Power Batteries* (《新能源汽車廢舊動力電池回收和綜合利用管理暫行辦法》) were jointly issued by six departments including the Ministry of Industry and Information Technology, aiming to strengthen oversight across the entire recycling and comprehensive utilisation chain for retired NEV power batteries, and to establish a standardised, safe, and efficient recycling and utilisation system.

Driven by both policy initiatives and market demand, China's solid waste treatment sector has fundamentally shifted in recent years from pursuing scale-driven growth to a model centred on quality and value enhancement. The industry is now navigating a pivotal transition from high-speed growth to high-quality development, facing tangible challenges including a cyclical slowdown in growth rate, heightened market competition, and extended investment payback periods. To build new internal growth engines, a dual-track strategy that integrates "cost reduction through lean management" and "value addition via technological innovation" must be implemented.

The Group has a designed organic waste treatment capacity of over 6,300 tons per day, placing it among the leading domestic industry players. In addition, Shenshan Qiantai, a controlled subsidiary of the Group, holds the qualification for the "White List" of battery comprehensive utilisation and the qualification for recycling and dismantling scrapped motor vehicles, and can provide recycling services for scrapped motor vehicles and integrated recycling services for retired power batteries. The Group will further integrate management and build a professional talent team, and strive to improve the quality and efficiency of the existing projects. Through multi-pronged measures, the Group will elevate lean management standards and profitability.

II. Discussion and Analysis of the Operations

During the Reporting Period, guided by the strategic objectives of the 14th Five-Year Plan, the Group proactively implemented a range of measures to promote the production and operation. Through multiple coordinated initiatives, the Group improved production efficiency by tapping potential and increasing effectiveness, upgrading quality, reducing costs, to advance the synergistic development of its toll highways, the general-environmental protection, and other related business segments. During the Reporting Period, the Group recorded revenue of approximately RMB9,264 million, remaining broadly flat YOY. Among them, toll revenue was approximately RMB5,124 million, revenue from environmental protection businesses such as clean energy and solid waste recycling treatment was approximately RMB1,517 million, and other revenue was approximately RMB2,623 million, which accounted for 55.31%, 16.38% and 28.31% of the total revenue of the Group, respectively.

(I) Toll Highway Business

1. Business performance and analysis

The average daily traffic volume and toll revenue of all toll highways operated and invested by the Group in 2025 are as follows:

Toll highway	Average daily mixed traffic volume (number of vehicles in thousand)[1]	YOY	Average daily toll revenue (RMB'000)	YOY
Guangdong Province – Shenzhen Region:				
Meiguan Expressway	163	-0.9%	413	-4.1%
Jihe East	322	4.1%	1,893	3.5%
Jihe West	234	4.8%	1,551	3.7%
Coastal Project[2]	226	10.2%	2,155	7.1%
Outer Ring Project	336	8.3%	3,318	3.8%
Longda Expressway	166	-1.5%	420	-3.2%
Shuiguan Expressway	263	0.2%	1,716	-0.7%
Shuiguan Extension	56	-5.8%	182	-4.5%
Guangdong Province – Other Regions:				
Qinglian Expressway	51	7.0%	1,881	8.8%
GS Expressway[3]	642	1.6%	7,718	-2.1%
GZ West Expressway[3]	267	0.0%	3,096	-10.7%
Yangmao Expressway	56	0.6%	2,051	-1.8%
GZ W2 Expressway	94	-1.6%	1,374	-1.5%
Other Provinces in the PRC:				
Changsha Ring Road	91	-4.3%	689	-3.8%
Nanjing Third Bridge	38	7.5%	1,537	7.1%
Yichang Project[4]	46	-15.9%	946	-11.0%

Notes:

(1) Traffic volume which is toll-free during holidays is not included in the data of average daily mixed traffic volume. The toll revenue listed in the above table is tax exclusive.

(2) Coastal Phase II commenced operations on 30 June 2024. Currently, it is not possible to separate the traffic volume data of Coastal Phase II for consolidated statistics. Therefore, the traffic volume data of the Coastal Project in the above table only reflects the traffic volume data of Coastal Phase I, excluding that of Coastal Phase II. The toll revenue data of the Coastal Project includes both Coastal Phase I and Phase II.

(3) The Group indirectly holds approximately 71.83% shares in Bay Area Development, which is indirectly entitled to 50% and 45% of interests in GZ West and GS Expressway, respectively.

(4) From 21 March 2024, the Group's equity interests in the Yichang Project decreased from 100% to 40%.

The Group's toll revenue increased year-on-year during the Reporting Period, primarily driven by the incremental revenue from the Coastal Phase II which opened in late June 2024, higher traffic volumes resulting from improved connectivity of the surrounding road network, and generally more favourable weather conditions in most project regions compared with the previous year. Moreover, the operating performance of the Group's toll highway projects is also subject to positive or negative impacts due to factors such as industry policies, changes in surrounding competitive or coordinated road networks, construction or maintenance of these projects, repair of connected or parallel highways, implementation of urban traffic organisation plans, and other means of transportation. The performance of the toll highway projects of the Group in different regions is summarised as follows:

(1) Guangdong Province – Shenzhen Region

During the Reporting Period, Shenzhen experienced reduced rainfall during its flood season compared to the same period last year, which mitigated adverse weather disruptions to traffic flows. In 2025, Shenzhen continued to strengthen consumption stimulus policies, including automobile subsidies and trade-in programs, to boost vehicle sales. According to figures published on the Shenzhen Municipal Government website, the city's registered motor vehicles were increased by approximately 301,900 units as of the end of December 2025 compared to the same period of the previous year, representing a year-on-year increase of approximately 6.81%. This rapid growth accelerated the rise in traffic volumes of the regional expressways.

During the Reporting Period, the interconnection of highways generated positive synergies for the Group' highway network in Shenzhen. The simultaneous opening of the Shenzhen-Zhongshan Link and Coastal Phase II realised direct interconnection between Shenzhen-Zhongshan Link, Coastal Expressway, GS Expressway, Shenzhen Bao'an Airport, and Jihe Expressway in late June 2024, and further promoted the deep integration between Shenzhen and both sides of the Pearl River estuary. The core transport hub effect has been continuously amplified, effectively driving significant traffic growth on the Coastal Expressway and Jihe Expressway while making diversion effects on the Outer Ring project and Longda Expressway. Overall, these developments contributed positively to the Group's total toll revenue. In January 2025, the left half of the ground-level reconstruction and expansion project of Huiyan Expressway (Shenzhen section) was opened to traffic, followed by the full resumption of two-way traffic in March, and some vehicles that detoured due to construction resumed their original routes, driving increased traffic volumes on the interconnected Jihe Expressway. In March, the Kengzi East Interchange crossing section of the Outer Ring Phase II was officially opened, addressing the traffic conversion needs between the Outer Ring project and the Shenzhen-Shantou West Expressway (i.e., Shenhai Expressway), thereby achieving rapid connection between local roads and the expressway. In April, the Xinwei Toll Station on the Outer Ring Expressway was put into operation, interconnecting the expressway and Longlan Avenue, a major urban arterial road. The opening of these two key conversion hubs has promoted the interconnection between the Outer Ring Expressway and Shenzhen's eastern and northern regions, providing more convenient and efficient options for vehicles traveling in the region and positively impacting the operating performance of the Outer Ring project.

Benefiting from the combined effects of the above factors, the overall average daily toll revenue of the Group's toll highway projects in Shenzhen achieved a YOY growth during the Reporting Period.

(2) Guangdong Province – Other Regions

During the Reporting Period, Guangdong Province experienced reduced rainfall during the flood season compared to the previous year, leading to increased public travel and logistics demands. This had a positive impact on the operating performance of the most of Group's toll highway projects in Guangdong Province.

Qinglian Expressway successfully completed its road upgrade project in late June 2025, further optimising travel conditions and enhancing overall traffic efficiency, which promoted its operational performance. Additionally, the opening or maintenance of connecting or adjacent road networks generally had a positive impact on Qinglian Expressway. Consequently, both average daily traffic volume and toll revenue recorded year-on-year growth during the Reporting Period.

The GS Expressway, as a critical transport artery connecting the two key cities Guangzhou and Shenzhen, benefits from the highly vibrant urban economic belt along its route, which supports stable traffic volume. Following the opening of the Shenzhen-Zhongshan Link, some vehicles that previously used the Humen Bridge or Nansha Bridge for travel between eastern and western Guangdong have now shifted to the new route, leading to shortened travel distances on the GS Expressway, resulting in a slight YOY increase in the average daily traffic volume but a marginal YOY decrease in the average daily toll revenue during the Reporting Period.

GZ West Expressway is a component of the Pearl River Delta ring expressway network. Shenzhen-Zhongshan Link and Zhongshan section of Zhongkai Expressway (Zhongshan-Kaiping) opened to traffic simultaneously on 30 June 2024, and the auxiliary lanes connecting Yongning Interchange of Zhongshan West Ring Expressway and Tianlian Interchange of Guangzhongjiang Expressway were completed by the end of August, achieving full interconnection between Zhongshan West Ring Expressway and Guangzhou-Foshan-Jiangmen-Zhuhai Expressway (Guangzhou-Zhongshan-Jiangmen). Vehicles traveling between Guangzhou, Foshan, and other areas to Zhuhai and Zhongshan can now directly transfer from Guangzhou-Foshan-Jiangmen-Zhuhai Expressway (Foshan 1st Ring) to Zhongshan West Ring Expressway via Yongning Interchange to reach their destinations. These changes in the road network have promoted an increase in short-distance traffic volume on GZ West Expressway, but have also diverted certain long-distance traffic volume between eastern and western Guangdong. The diversion impact further expanded in 2025. During the Reporting Period, GZ West Expressway recorded a marginal YOY decrease in average daily traffic volume but a YOY decrease of approximately 11% in average daily toll revenue.

From June to October 2025, the western Guangdong region, which Yangmao Expressway runs through, suffered from continuous typhoons and heavy rainfall, significantly impacting operational performance of Yangmao Expressway. Furthermore, the adjacent Maozhan Expressway raised its toll rates starting in 2025, causing some large trucks to switch to alternative routes and leading to a decline in traffic on Yangmao Expressway. Due to the combined impact of these factors, the average daily toll revenue on Yangmao Expressway decreased slightly year-on-year during the Reporting Period.

The northern section of Foqingcong Expressway (Foshan-Qingyuan-Conghua) opened in August 2024, and Guanghe Bridge ceased toll collection from 0:00 on April 8, 2025. Additionally, a 15% discount policy for all ETC trucks was implemented on certain surrounding road sections starting May 30, 2025. These factors caused diversion from GZ W2 Expressway. Consequently, both average daily traffic volume and toll revenue for GZ W2 Expressway decreased slightly year-on-year during the Reporting Period.

(3) Other Provinces

The opening of Xiangluzhou Bridge in Changsha in July 2024 has diverted traffic from Changsha Ring Road. This was further exacerbated by the opening of Guanyinyan Toll Station on Changyi North Line in January 2025 and the trunk roads of Xinglian Road Bridge (connecting to the Guanyinyan Toll Station) in April 2025. Consequently, Changsha Ring Road recorded YOY declines in both average daily traffic volume and toll revenue during the Reporting Period. From 21 March 2024, the Group's equity interest in Yichang Project was reduced from 100% to 40%, resulting in deconsolidation of the Yichang Company from the Company's financial statements. The commencement of Yichang North Expressway (Yiyang-Changde) operations in late December 2024 diverted a portion of traffic volume from Yichang Expressway. Consequently, Yichang Expressway recorded YOY declines in both average daily traffic volume and toll revenue during the Reporting Period.

The differential toll policy adjustments implemented in Anhui Province in April 2025 and Jiangsu Province in May 2025 generate modest positive impact on Nanjing Third Bridge's traffic volume. Nanjing Third Bridge recorded YOY increase in both average daily traffic volume and toll revenue during the Reporting Period.

2. Business development

The Shenzhen Outer Ring Expressway runs east-west, with the majority of its route located in northern Shenzhen and sections extending into Dongguan City, spanning approximately 93 km in total. Within this network, the Shenzhen section of Outer Ring Expressway (the Outer Ring Project) funded and constructed by the Company has a total length of approximately 77 km. The Outer Ring Project is implemented in three phases, in which Outer Ring Phase I and Outer Ring Phase II were completed and opened to traffic, while Outer Ring Phase III has seen approximately 27% progress in physical shape as of the end of the Reporting Period. After the completion of Outer Ring Phase III, it will enrich the Company's core highway assets, and achieve the best overall economic and social benefits of the Outer Ring Project; on the other hand, it will also bring traffic to other toll highways of the Group by improving the road network layout. For details of Outer Ring Phase III, please refer to the relevant contents in the Company's announcements dated 14 July and 17 November 2023, and 25 January 2024.

The Jihe Expressway R&E project, as a major transportation infrastructure initiative under the Development Plan Outline for the Guangdong-Hong Kong-Macao Greater Bay Area, adopts a three-dimensional composite channel model, and consists of a ground layer and a three-dimensional layer, both of which are constructed as per the standard for two-way eight-lane expressways. After completion, it will enhance the traffic capacity of the existing traffic lines of Jihe Expressway effectively, meet the integrated transportation demand of the Guangdong-Hong Kong-Macao Greater Bay Area and the Pearl River Delta, and further consolidate the Group's core advantages in the investment, construction and operation of toll highways. As of the end of the Reporting Period, approximately 20% of the main part of the Jihe Expressway R&E project had been completed in terms of progress in physical shape. For details, please refer to the Company's announcements dated 22 May and 11 June 2024, as well as the Company's circular dated 27 May 2024.

The Company holds 71.83% shares in Bay Area Development, which indirectly holds 45% equity interests in Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway. To accommodate growing transportation demand, the reconstruction and expansion project has been launched, covering the reconstruction and expansion projects of the Huocun, Guangzhou to Chang'an, Dongguan section of Beijing-Hong Kong-Macao Expressway and the Huangcun-Huocun section in Guangzhou of Guangfo Expressway ("SG section"), as well as the Shenzhen section of the Beijing-Hong Kong-Macao Expressway ("Shenzhen section"); among them, the reconstruction and expansion project of SG section, totalling approximately 71.13 km, has commenced full construction, with progress generally in line with expectations. The reconstruction and expansion project of Shenzhen section spans approximately 47.07 km, with its pilot section's construction commenced at the end of 2025. For details, please refer to the announcements of the Company and Bay Area Development dated 30 October 2023 and 24 January 2025. For the details of operation of Bay Area Development during the Reporting Period, please refer to its 2025 annual report.

(II) General-Environmental Protection Business

1. Clean energy power generation

The Group's clean energy business primarily comprises wind power and photovoltaic (PV) power generation. As of the end of the Reporting Period, the Group held a total attributable installed capacity of approximately 686 MW in clean energy power generation. In the wind power segment, the Group has invested in and operated six grid-connected wind power projects, with a total attributable installed capacity of approximately 677 MW. In the photovoltaic segment, over the past two years, the Group has prudently expanded into distributed PV projects by leveraging its existing production sites and land resources along highway corridors. To date, the Group has independently developed and commissioned the Shengneng Qiantai PV Pilot Project, and held an equity interest in the Shanghai Guangming PV Project through its associate company, Fenghe Energy. These initiatives collectively represent a total attributable installed PV capacity of approximately 9.4 MW. During the Reporting Period, Baotou Nanfeng saw an increase in wind resources and a decrease in wind curtailment rate compared to the same period last year, resulting in approximately 16.0% growth in on-grid power supply. Xinjiang Mulei experienced lower overall wind resources and higher wind curtailment rate compared to the same period last year, leading to a year-on-year decline in both on-grid power supply and revenue from wind power generation. In 2025, the main operating data of new energy power generation projects of the Group are as follows:

Clean energy power generation			On-grid power supply (MWh) [(1)]	Power generation revenue (RMB'000) [(1)]
Project	Share-holding ratio of the Group	Revenue consolidation ratio	2025	2025
I. Wind power project				
Baotou Nanfeng	100%	100%	**682,973.41**	**195,838.87**
Xinjiang Mulei	100%	100%	**616,415.92**	**288,312.52**
Yongcheng Zhuneng	100%	100%	**74,768.40**	**20,861.35**
Zhongwei Gantang	100%	100%	**104,811.52**	**18,992.13**
Zhangshu Gaochuan	100%	100%	**51,165.02**	**18,271.74**
Huai'an Zhongheng	20%	—	**232,620.90**	**110,076.63**
II. Photovoltaic power generation				
Shengneng Qiantai	100%	100%	**4,049.95**	**2,010.26**
Shanghai Guangming	50%	—	**18,258.27**	**8,448.12**

Note:

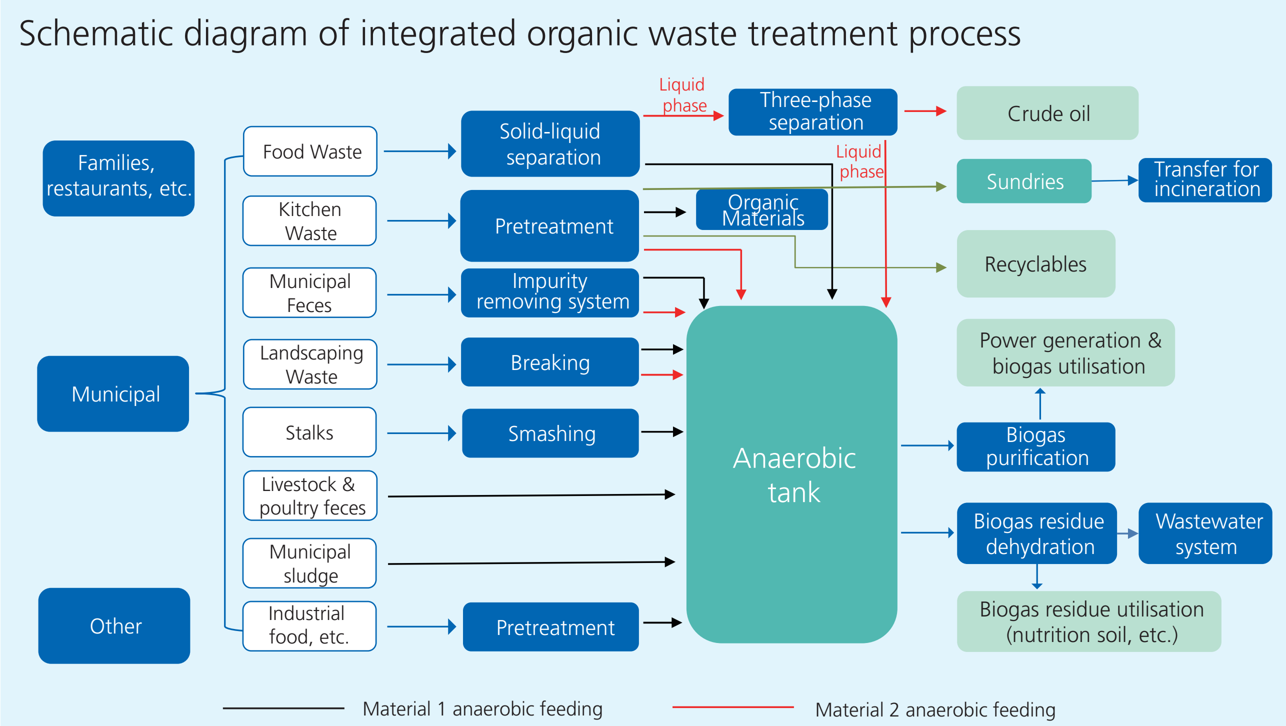
(1) On-grid power supply is calculated based on the settlement cycle of the power grid, and the operating revenue of some projects includes the electricity price subsidy income calculated based on on-grid power supply.

2. Solid waste recycling treatment

◆ Organic waste treatment

As of the end of the Reporting Period, the Group's designed organic waste treatment capacity is over 6,300 tons per day. Among them, projects with a total designed capacity of 5,126.5 tons per day have commenced commercial operation, while the rest are in the trial operation phase. These projects mainly operate in BOT and other models, providing harmless treatment of organic solid and domestic waste (including food, kitchen and landscaping waste, etc.) to government customers.

The schematic diagram of the integrated organic waste treatment process of the Group is as follows:



During the Reporting Period, the Environmental Company fully implemented a "centralised planning, tiered management, and milestone-based control" working mechanism, replacing the previous decentralised model under which individual project companies managed operations independently. It has deepened the development of a unified management system, with "cost reduction and efficiency enhancement" as its core objectives, and systematically advanced optimisation across waste collection & transportation and production processes, as well as remediation of loss-making projects. In waste collection & transportation management, the company strengthened centralised oversight of service areas and continuously improved performance evaluation and process control measures. In production management, it consistently conducted systematic monitoring and analysis of key operational data, promoted the development of a smart operations platform, and drove technological and process upgrades to enhance the refinement and standardisation of production management. At the same time, it has explored a centralised sales model for recovered grease and intensified sales efforts for recycling products derived from residual waste to broaden revenue streams. Going forward, the Environmental Company will continue to prioritise cost reduction and efficiency enhancement, focusing on improving key metrics such as oil recovery rate, organic waste utilisation rate, and overall recycling rate, with the aim of enhancing profitability.

The operating status of the Group's subsidiaries managed by the Environmental Company is as follows:

Bioland, a majority-owned subsidiary of the Company, mainly relies on technologies such as efficient anaerobic reaction treatment, MBR membrane bioreactors and their derivative technologies to provide customers with systematic and comprehensive solutions for organic waste treatment. As of the end of the Reporting Period, Bioland has a designed treatment capacity of over 4,600 tons/day, among which projects with a total designed capacity of 3,426.5 tons/day have entered commercial operation, while the rest are in the trial operation stage. Since 2023, the Group has continuously adjusted the business structure of Bioland, gradually exiting from severely loss-making EPC engineering and equipment manufacturing businesses, and focused on operation business. During the Reporting Period, Bioland improved its operational performance through end-to-end optimisation of waste collection and production processing, concurrent implementation of technical retrofits, and enhanced cost and expense controls. However, due to a combination of factors – including insufficient waste collection volumes in most projects leading to low plant utilisation, relatively high initial investment costs for certain projects, accounting adjustments related to asset rationalisation following business restructuring, and prolonged receivable collection cycles amid adverse external conditions – Bioland's overall financial performance in 2025 was subpar.

The Guangming Environmental Park Project, a wholly-owned subsidiary located in Guangming District, Shenzhen, can treat 1,000 tons/day of organic waste, 100 tons/day of bulk waste (used furniture) and 100 tons/day of landscaping waste, and can realise the harmless treatment and recycling of food and kitchen waste concurrently. The Guangming Environmental Park Project applies the treatment process of "pre-treatment + anaerobic fermentation + biogas power generation" to realise the recycling and harmless treatment of organic waste. The Guangming Environmental Park Project entered the trial operation stage in May 2024 and officially commenced commercial operations in February 2025. It has secured the official permit for food waste collection and treatment in Guangming District and also assists in collecting and treating food waste from parts of Bao'an District, Shenzhen. Due to low plant utilisation, the project did not achieve profitability during the Reporting Period.

Lisai Environmental, a majority-owned subsidiary of the Company, has a concession service area that covers Longhua District, Shenzhen, and assists in the treatment of certain kitchen waste in Futian District. Lisai Environmental officially commenced commercial operation in December 2017, with a kitchen waste treatment capacity of 500 tons/day.

Shaoyang Project, a wholly-owned subsidiary, is located in Daxiang District, Shaoyang, Hunan, with a design treatment capacity of 200 tons/day of kitchen waste, and operates in the "TOT" (Transfer-Operate-Transfer) model. The Shaoyang Project started trial operation in February 2023 and officially transitioned to commercial operation in September 2024.

In 2025, the key operating data of the Group's organic waste treatment projects in commercial operation are as follows:

Organic waste			Organic waste disposal volume (thousand tons) 2025	Operating income (RMB'000) (1) 2025
Project	Share-holding ratio of the Group	Revenue Consolida-tion ratio		
I. Bioland	92.73%	100%	**1,060.47**	**539,833.93**
II. Lisai Environmental	70%	100%	**180.28**	**119,585.78**
III. Shaoyang Project	100%	100%	**42.67**	**35,621.50**
IV. Guangming Environmental Park	100%	100%	**148.58**	**87,731.36**
Total			**1,432.00**	**782,772.57**

Note:

The operating income in the above table includes estimated subsidy income calculated based on the waste treatment volume.

◆ Battery Recycling and Energy Storage Business

Shenshan Qiantai, a controlling subsidiary of the Group, is a national high-tech enterprise and a specialised and sophisticated small- and medium-sized enterprise in Shenzhen. During the Reporting Period, it was rated as a national-level "Green Factory". It has the qualification for dismantling scrapped motor vehicles, as well as being qualified in the whitelist of comprehensive utilisation of batteries issued by the Ministry of Industry and Information Technology. It can provide scrapping, recycling and disposal services for gasoline-powered vehicles, and integrated recycling services for new energy vehicles and retired power batteries. In terms of dismantling of scrapped motor vehicles and comprehensive utilisation of batteries, the performances of the two business segments did not meet expectations, due to the decline in the market price of scrap metals, the limited scale of scrapped motor vehicle recycling, the continuous pressure on the prices of lithiumion battery materials and other industry factors. During the Reporting Period, Shenshan Qiantai scaled back the dismantling of scrapped motor vehicles and comprehensive utilisation of batteries and repositioned its strategy to concentrate on two-wheeler battery swapping and energy storage products as well as industrial and commercial battery storage products, which allowed it to gradually expand its market presence. As of the end of the Reporting Period, it has operated over 820 battery swapping cabinets, equipped with more than 13,000 battery packs, with a battery utilisation rate of over 70%. It has also launched small-scale sales of commercial and industrial energy storage products and energy storage supporting services for end-user applications.

3. Water environment governance and others

The Environmental Company, a wholly-owned subsidiary of the Group, holds 20% equity interests in Derun Environment. Derun Environment is a comprehensive environmental investment enterprise, with holding subsidiaries such as Chongqing Water (stock code: 601158) and Sanfeng Environment (stock code: 601827) which are listed on the domestic main board. The major business segments include water supply and sewage treatment, waste incineration power generation, environmental restoration, etc. For the main businesses and operation of Chongqing Water and Sanfeng Environment, please refer to their 2025 annual reports.

The Group holds 11.25% equity interests in Shenzhen Water Planning (stock code: 301038), a company listed on the ChiNext Market of the Shenzhen Stock Exchange. For information of the business development of Shenzhen Water Planning, please refer to its 2025 annual report.

For the profitability of the general-environmental protection projects during the Reporting Period, please refer to the relevant contents in "Financial Analysis" below and to the Financial Statements notes V\48 and V\55 in this report.

(III) Entrusted Management and the Development of Other Infrastructure

The Group has continually launched or participated in the construction, operation and maintenance management business (also known as the entrusted construction and management business) with the expertise and experience gained in the field of highway construction and operation over these years. In addition, the Group has also participated in the construction and development of local infrastructure and land along highways prudently, so as to obtain reasonable return.

1. Entrusted construction business

During the Reporting Period, the Group's main ongoing entrusted construction project was the Shenshan Environmental Park Project in Shenzhen. During the Reporting Period, the site levelling work under the pilot public facilities projects in the park was largely completed, and approximately 47.5% had been completed cumulatively in terms of physical progress. The construction of Lyubao Road (from Tonggang Avenue to the Chemical Park section) is currently underway, including subgrade works, and approximately 66% had been completed in terms of physical progress. The waste transfer station project had entered the construction phase in the second half of 2025.

2. Entrusted management business

The Operation Development Company, a wholly-owned subsidiary of the Group, mainly engages in such operations as highway operation, maintenance and management. The Engineering Development Company under the Operation Development Company mainly engages in upstream and downstream segments of the road industry, such as highway and municipal road maintenance and construction. It has the Class I general contracting qualification for highway project construction.

During the Reporting Period, the Operation Company (including its subsidiaries) successfully renewed the Phase II contract for the Comprehensive Management and Maintenance Project of the Southern Section of Qingping Expressway Phase II and was awarded the comprehensive management and maintenance projects for four roads, among others. The Engineering Development Company (including its subsidiaries) undertook a total of 12 projects involving road maintenance and infrastructure engineering services.

For details of the profits as well as incomes and expenses of major entrusted management businesses during the Reporting Period, please refer to the contents in "Financial Analysis" below and the relevant contents to the Financial Statements note V\48 in this report.

3. Development and management of land projects

Since 2012, the Group has explored business types such as comprehensive land development related to the core business of highways and the urban renewal business arising from land use planning adjustment along expressways to revitalise land assets, and improve the comprehensive utilisation value of assets.

(1) Guilong regional development project

The project being developed by holding subsidiary Guishen Company in Longli County, Guizhou Province is named as "Youshan Villa". During the Reporting Period, Guishen Company collaborated with a wellness institution under the Group to develop the "Youxiang Apartment", a summer vacation and wellness project at the Youshan Villa Project site, which entered trial operation in April 2025, with operational results largely meeting expectations. By implementing a marketing strategy that "integrates real estate with wellness", Guishen Company aims to enhance the added value of the Project and boost sales.

(2) Meilin Checkpoint Renewal Project

United Land, in which the Group holds 34.3% equity interests principally engages in the investment, development and operation of the Meilin Checkpoint Renewal Project. The residential units developed under the Meilin Checkpoint Renewal Project have been sold out. The project also completed the construction of a complex building of offices, commercial properties, and business apartments with an area of approximately 190,000 square meters. Except for the parts that have been delivered to the resettled property owners, the remaining parts of the office properties have been put up for external sale. As at the end of the Reporting Period, a portion of the commercial properties and business apartments had been sold, and the remainder are being actively marketed for sale.

(3) Xintang Project

The Xintang Project (Park Uptown Project), in which the Group indirectly holds a 15% equity interest through Bay Area Development, involves the comprehensive development of approximately 196,000 square metres of transportation land of GS Expressway in Xintang Town, Zengcheng District, Guangzhou. For details of the Xintang Project, please refer to Bay Area Development's 2025 annual report.

4. Development and management of other infrastructures

The Guangming Wellness Project under the Investment Company comprises the Guangming Xincun Community Integrated Service Centre Pilot Project and the Fenghuang Jiulongtai Community Integrated Service Centre Pilot Project (collectively referred to as the "Two Guangming Community Projects"), as well as the Guangming District Social Welfare Home Project. During the Reporting Period, the Guangming District Social Welfare Home project passed the review by the Hong Kong Social Welfare Department and became a recognised service provider under its "Residential Care Services Scheme in Guangdong". This marks a significant breakthrough for the Guangming District Social Welfare Home in cross-regional elderly care collaboration, enabling it to provide professional care services for seniors from Guangdong and Hong Kong, further promoting the integration of wellness resources and synergy of livelihoods between the two regions.

(IV) Industrial-financial Integration

The Group holds approximately 3.44% equity interests in Bank of Guizhou (stock code: 06199.HK). For the business development of Bank of Guizhou, please refer to its 2025 annual report.

The Group's wholly-owned subsidiary Financial Leasing Company primarily provides financial leasing services focusing on the main businesses, and upstream and downstream businesses of the Group.

The Group holds 45% equity interests of Foshan Shunde Shengchuang Shenzhen Expressway Environmental Technology Industry M&A Investment Partnership (Limited Partnership) ("Shengchuang Fund"). As at the end of the Reporting Period, the total paid-in size of the fund was RMB300 million, of which the Company's paid-in capital was RMB135 million. Since its establishment, the fund has made investments in two environmental protection projects. Given that both projects have triggered the withdrawal conditions, Shengchuang Fund decided to withdraw, and the withdrawal plan was under implementation.

The Group holds approximately 7.48% equity interests in Shenzhen State-owned Assets Collaborative Development Private Fund Partnership (Limited Partnership) ("State-owned Assets Collaborative Development Fund"). The overall size of the fund is RMB4.01 billion, in which the Company's contribution is RMB0.3 billion. To date, RMB23 million of the invested principal has been recovered. The fund is managed by Shenzhen Kunpeng Zhanyi Equity Investment Management Co., Ltd., and invested mainly in strategic emerging industries, environmental protection, infrastructure, etc.

(V) Other Businesses

The Group holds 22% equity interests in Yunji Intelligent (formerly known as "Consulting Company"), 51% equity interests in Digital Technology Company, and 10.2% equity interests in Unitoll Services, respectively. The revenue and profit contribution of these businesses currently account for a small proportion in the Group. For details of other businesses during the Reporting Period, please refer to the relevant contents of notes V\13, V\14, V\48, V\55 and V\56 to the Financial Statements in this report.

III. Analysis of Core Competitiveness during the Reporting Period

The major toll highway projects operated and funded by the Group possess outstanding location advantages and maintain a good condition of assets. Over the years, the Group has been dedicated to the sector of transportation infrastructure, built a good reputation in the industry, and gained extensive experience in the investment, construction, operation and management of large-scale infrastructure. By giving full play to its professional management experience and innovation capability, and leveraging its good financing capability, the Group will gradually realise industry upgrading and transformation, thus keeping improving its competitive advantages.

State-owned infrastructure platform advantage in the Greater Bay Area: Located in Shenzhen, the Group is a platform for the investment, construction, management and maintenance of highway and general-environmental infrastructure under the Shenzhen SASAC. The majority of the highway projects and certain environmental infrastructure projects funded and operated by the Group are located in the Guangdong-Hong Kong-Macao Greater Bay Area, providing the Group with a geographic advantage. The Group actively seized the major strategic opportunities arising from the development of the "two regions", namely the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen, as the Pioneering Demonstration Zone of Socialism with Chinese Characteristics. By focusing on the new planning of innovative urban construction and integrated infrastructure services in the region, leveraging the synergistic advantages as a state-owned platform and thus actively acquiring the opportunities for participating in quality highway and environmental infrastructure projects in the region, the Group acquires greater room for operation development. The development of the "two regions" not only creates new project opportunities, but also continues to boost the demand for transportation and solid waste treatment, which invigorates the operating performance of the Group's dual core businesses. In addition, the Group will actively explore the land development business along the highway projects in the Greater Bay Area, and give play to its synergistic role to unleash the development value of land along these projects and increase the overall profitability based on the development plan of the urban agglomeration in the region.

Comprehensive integrated management capability: Since its establishment, the Group has been dedicated to the transportation infrastructure industry. Through the investment, construction, operation and management of large-scale infrastructure projects over these years, the Group has gained extensive experience in the investment, construction, operation and management of the heavy assets and franchise businesses, established a sophisticated investment decision-making system, and a construction and operation management system, and developed comprehensive integrated management capabilities from investment and construction to operation and maintenance. During the Reporting Period, based on this core competency, the Group, on the one hand, carried out the construction, operation, maintenance and management of a number of public projects actively through participation in government bidding. On the other hand, upon entering the clean energy power generation and solid waste recycling treatment business sectors with business models similar to those of toll highways, the Group continued to leverage its comprehensive integrated management capabilities in the heavy assets business, and preliminarily established its presence in related industries. In the future, the Group will further ramp up its professional and comprehensive integrated management capabilities in the business sector of general environmental protection to enhance its market competitiveness.

Innovation capability: The Group has always focused on innovative development, including business models, cooperation models, professional fields, professional technologies, and other aspects. In recent years, the Group has studied and applied new technologies, new materials, new processes and new models, overcome numerous technical difficulties, and achieved multiple scientific research achievements in the industry through innovative design and management concepts together with partner suppliers in key construction projects. Currently, in response to the current trend of rapid development in digital information technology, the Group actively promotes the research and application of intelligent transportation/environmental protection technologies. Actively utilising its innovation capability in various sectors, the Group strives for innovation and transformation to continually improve its operation and development performance.

Good financing platform: Listed in both Shanghai and Hong Kong, the Group has a good financing platform for the capital markets in both places. In the meanwhile, the Group has been maintaining high domestic and overseas credit ratings, and good long-term cooperative relationships with banks and other financial institutions, and establishing smooth financing channels, enabling it to raise funds for corporate development and control financial costs effectively. During the Reporting Period, the Group successfully completed the issuance of A shares to specific investors, raising total proceeds of approximately RMB4.703 billion (inclusive of issuance expenses). This not only provided valuable funding for the construction of key projects, but also introduced heavyweight strategic investors, underscoring the high level of recognition from industrial capital and professional peers, further optimising the shareholder structure and strengthening the Group's overall capabilities. For details of the results of the Group's financial strategies as well as capital management and financing arrangements, please refer to "Financial Analysis" below.

IV. Annual Assessment Report on the 2025 Action Plan for "Improving Quality, Increasing Efficiency and Emphasising Returns"

To thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and the Central Financial Work Conference, and to fulfil the requirements of the Opinions on Further Improving the Quality of Listed Companies issued by the State Council, the Group actively responded to the SSE's Special Action Initiative of "Improving Quality, Increasing Efficiency and Emphasising Returns" for Shanghai-listed companies and issued its 2025 Action Plan for "Improving Quality, Increasing Efficiency and Emphasising Returns". Guided by this plan, the Group has actively moved forward with its work. We hereby report on the primary results for 2025 as follows:

(I) Committing to Quality and Efficiency Improvements in Principal Business to Further Consolidate the Foundation for Sustainable Growth

In 2025, the Group adhered to the core development strategy of "Strengthening the principal business", closely aligned with its annual work objectives, fully implemented the deployment of the action plan for deepening and upgrading state-owned enterprise reforms, steadily advanced the construction of major engineering projects, continuously strengthened lean operational management, and solidly promoted the fulfilment of production and operating tasks.

In terms of the toll highway business segment, the Group has vigorously advanced major projects, including the Jihe Expressway R&E Project, the Outer Ring Phase III, and the R&E Project of the Guangzhou-Shenzhen section of G4. These projects are strategically vital as the cornerstone of the Group's development for the next two decades. During the Reporting Period, all construction works progressed according to plan. The Group systematically reviewed key worklists for each project, crafted detailed work plans, established a tiered dispatch and coordination mechanism, and implemented a grid-based responsibility system. By leveraging state-of-the-art technologies like the BIM construction management platform, the Group achieved real-time tracking and early warnings for construction progress. Adhering to a "zero-accident, zero-hazard" objective and enforcing stringent quality management standards with enhanced supervision, the Group has ensured all projects advance orderly and on schedule. In terms of highway operations, the Group further deepened lean operational management, continuously optimised standardised operating procedures, and diligently carried out traffic diversion during peak periods as well as emergency response to incidents. At the same time, the Group actively empowered operations through the application of advanced technologies such as big data, artificial intelligence and drone inspections, enhancing road operation control and intelligent maintenance standards, improving the road environment and increasing traffic efficiency. For reconstruction and expansion projects, traffic management and construction arrangements were scientifically coordinated to minimise the impact of construction activities on road traffic capacity.

In terms of the general-environmental protection business segment, during the Reporting Period, the Group focused on enhancing quality and efficiency of existing operating projects and adjusting business structure. In the solid waste treatment segment, the Group continued to deepen structural adjustments, exited non-core businesses such as severely loss-making EPC projects and equipment manufacturing, and concentrated on operational businesses. Through measures including optimising internal operational management systems, promoting technological and process upgrades, strengthening cost and expense control, and exploring oil and grease development and resource utilisation of waste residues, the Group promoted quality and efficiency improvement of operating projects. As a result, the operating performance of the organic waste treatment business showed improvement during the Reporting Period. Meanwhile, the Group endeavoured to enhance the technological R&D and product development capabilities of Shenshan Qiantai and prudently explored new business opportunities such as two-wheeler battery swapping and small-scale commercial and industrial energy storage. In the clean energy power generation segment, the Group carried out refined operations and cost reduction and efficiency enhancement initiatives for existing projects, sought investment opportunities in high-quality wind power and photovoltaic projects, and explored the integrated model of "Transportation/Industrial park + Energy." It promoted the coordinated development of self-owned resources, such as toll stations, service areas and industrial parks along expressways with distributed photovoltaic, energy storage and other clean energy projects, injecting new momentum into the green and low-carbon transition.

Through the above measures in 2025, the Group endeavoured to enhance the quality of development of its principal business and to lay a solid foundation for long-term development. For further details on the development of the principal business during the Reporting Period, please refer to the "Discussion and Analysis of the Operations" above in this section hereof.

(II) Harnessing Technologies to Accelerate Development of New Quality Productive Forces

In 2025, guided by our "14th Five-Year Plan" for top level digital transformation and aligned with our corporate strategic goals, the Group has made solid progress in orchestrating the intelligent transformation and innovative applications in highway construction and operations, kitchen waste treatment, and clean energy power generation segments in consideration of their unique development needs and characteristics. This was driven by technological innovation and centred on infusing business operations with intelligence. In terms of engineering construction, the Group continued to leverage the BIM construction management platform in the Jihe Expressway R&E Project, significantly improving the quality and efficiency of construction management. In terms of highway operations, the Group utilised the road network information system to monitor the road network across Shenzhen, providing vital data support for tolling and operational management. The Group also upgraded the entire network monitoring and command platform, centred on the application of AI large models. The Shenzhen e-Transportation platform independently developed by the Group has been launched on multiple expressways in the Shenzhen region, offering services such as non-inductive payment and near-free-flow passage, improving traffic efficiency for registered vehicles. The user base continued to grow, with registered users exceeding 3 million as at the end of the Reporting Period. In terms of smart management and maintenance, following the Outer Ring Expressway, the Group has scaled up the application of the BIM-based integrated management and maintenance system on other routes like the Coastal Expressway and Jihe Expressway. This system facilitates data-driven decision-making, enables online operation and closed-loop management of maintenance tasks and comprehensive data analysis, thereby elevating our maintenance management to a new level of digitalisation, professionalism, and intelligence. Furthermore, during the Reporting Period, the Group initiated the construction of a transportation infrastructure health monitoring and management platform, continuously developed and optimised the smart operational management platform for the environmental protection business, and developed and applied digital systems for functional departments such as finance, human resources, audit, and administration.

In 2025, both the Group and the Environmental Company were approved as "Shenzhen Postdoctoral Innovation Practice Bases". The Group has secured one national key R&D project (Self-organising Operation Technology for Autonomous Road Transportation System), one provincial-level innovation platform (Guangdong Provincial Engineering Technology Research Centre for Lithium Battery Recycling), and one municipal-level key R&D project (R&D on Key Technologies for the Biological Conversion of Urban Organic Waste into Fuel). Additionally, two of the Group's innovative operational models were selected as representative cases for 2024 by the China Highway and Transportation Society. The Jihe Expressway R&E Project and the Outer Ring Phase III project, based on the deepened application of BIM, each received four major awards conferred by the China Communications and Transportation Association and the China Engineering & Consulting Association. The technological innovation achievements of the Group's environmental protection segment also received a science and technology progress award granted by the Chinese Society for Environmental Sciences. By actively promoting intelligent transformation and the R&D and application of innovative technologies, the Group achieved production and operational refinement and enhanced management efficiency, thereby empowering business growth.

(III) Institutionalising Shareholder Returns and the Protection of Shareholders' Rights and Interests

The Company has consistently attached great importance to delivering returns to investors and adhered to the stable dividend distribution policy. The Company's *2024-2026 Shareholder Returns Plan* clearly stipulates that, subject to meeting the requirements for cash dividend distribution and ensuring sufficient capital for the Company's normal operation and development, the annual cash dividend ratio of the Company should not be less than 55% from 2024 to 2026.

Upon approval at the 2024 Annual General Meeting of Shareholders, the Company distributed the cash dividend of RMB0.244 per share (tax inclusive) to all shareholders based on the total share capital of 2,537,856,127 shares following the completion of the A-share private placement, totalling approximately RMB619 million. The equity distribution for 2024 was completed before 25 August 2025.

Since its listing, the Company has distributed cash dividends for 28 consecutive years, with a cumulative cash dividend of approximately RMB15.056 billion. Over the past decade, the proportion of annual cash dividends to the net profit attributable to shareholders of the parent company in the consolidated statements after deducting the distribution to holders of perpetual bonds and other equity instruments (if any) has ranged from 40% to 65%, with an average of 58.5% over the past three years. The Company has continuously practiced the development concept of "institutionalising shareholder returns and the protection of shareholders' rights and interests" with practical actions, creating long-term, stable and sustainable value returns for shareholders.

(IV) Upholding Investor Relations Management

The Company strictly observes the securities regulatory requirements to fulfil the information disclosure obligations, constantly promotes its information disclosure quality, and effectively safeguards investors' right to information. In 2025, the Company released 4 regular reports and published a total of over 200 interim announcements in the A-share and H-share markets.

The Company continuously cultivates constructive communication with investors by organising regular performance briefings, actively participating in analyst meetings, on-site roadshows, conference calls and interactions via Shanghai Stock Exchange E-interaction Platform, thereby fostering effective communication and engagement between investors and the Company. In 2025, the Company held on-site 2024 annual results briefings in Shenzhen and Hong Kong respectively, and simultaneously provided live streaming, remote access, and telephone dial-in options to facilitate participation by a broader base of investors. During the year, the Company also convened online performance exchange meetings following the release of its first-quarter, semi-annual and third-quarter reports for 2025, engaging in direct communication with investors. The Company's chairman, president, independent directors and relevant management personnel all attended the meetings. In 2025, the Company responded to over 100 investor enquiries via its website, telephone and email channels, received more than 20 batches of investor visits, and participated in over 50 roadshows and investor communication events of various types. Through ongoing communication and engagement with investors, the Company continuously conveyed its corporate value. In addition, the Company also collects opinions and suggestions from investors through such methods as questionnaires and follow-up phone calls by investor relation advisors, and provides feedback reports to the Board of Directors and the management, to convey the market voice to the Company in a timely manner.

(V) Standardising Operations and Enhancing Corporate Governance

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* and other laws and regulations, departmental rules, normative documents and the Articles of Association, the Company has established and improved the internal management and control systems, continuously refined the corporate governance structure to promote standardised operations. The Company has revised the *Work Rules for Independent Directors* according to the new regulations and strictly implemented them to provide institutional assurance for independent directors to perform their duties. All four independent directors of the Company can thereby participate in major decision-making processes to fully play a critical supervisory and balancing role in safeguarding the overall interests of the Company and its shareholders.

In 2025, in light of the newly issued *Company Law of the People's Republic of China*, *Guidelines on the Bylaws of Listed Companies*, *Rules for the Shareholders' Meetings of Listed Companies*, *Guidelines for the Articles of Association of Shenzhen Municipal State-owned Enterprises* and other laws, regulations and normative documents, the Company ceased to establish a board of supervisors or supervisors, with the Audit Committee exercising the powers of the board of supervisors as prescribed under the Company Law. The *Rules of Procedure for the Board of Supervisors* were repealed, and the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, the *Rules of Procedure for the Board of Directors* and other supporting governance documents were revised accordingly. These matters have been approved by the shareholders' meeting. The Company will strictly abide by laws, regulations and regulatory requirements, continuously enhance standardised governance systems and mechanisms, and internal control system to improve its operational management and risk prevention capabilities, sharpen its competitive edge, and promote sustained, healthy and stable development.

(VI) Ensuring Proper Fulfilment of Duties and Strengthening Accountability of the "Key Minority"

The Company continuously monitors regulatory changes, promptly communicates rules, guidelines, letters, and notices of domestic and international securities regulators to the "key minority" to keep them fully informed of the latest regulatory requirements, thereby raising their compliance awareness and ensuring the proper execution of their duties.

The Company places a high value on the standardised functioning of the Board of Directors. Primary means include supporting the controlling shareholders, de facto controllers, directors, supervisors, and senior management – collectively known as "key minority"—in fulfilling their duties in a compliant manner by providing them with essential information, organising specialised training sessions, and facilitating direct communication. In 2025, the Company distributed quarterly *Business Operations Analysis Reports* and monthly *Business Information Reports* to all directors and supervisors. Online preliminary communication meetings for external directors were held to ensure they remained well-informed about the Company's operational performance, regulatory updates, and relevant policies and laws. In 2025, a total of 19 attendances by directors, supervisors and senior management at professional training programs organised by the Shanghai Stock Exchange were recorded. In addition, the Company organised 12 attendances by directors, supervisors and senior management at business training sessions and thematic seminars held by regulatory authorities, providing professional support for the performance of their duties and effectively promoting the Company's regulated operations.

The Company continues to improve its remuneration and performance assessment system by incorporating operating performance indicators and market capitalisation performance into the performance assessments of the chairman of the Board and senior management, linking such assessments to annual performance-based remuneration. This fully stimulates the creativity and vitality of management and ensures the Company's healthy and sustainable development.

V. Financial Analysis

In 2025, the Group recorded a net profit attributable to owners of the parent company ("net profit") of RMB1,149,352,000 (2024: RMB1,145,049,000), remaining broadly flat YOY.

(I) Analysis of Main Businesses

1. Analysis of changes in the items related to the income statement and the cash flow statement

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the corresponding period last year	Change (%)
Revenue	**9,264,481**	9,245,691	0.20
Cost of services	**6,456,995**	6,324,399	2.10
Sales expenses	**9,178**	12,696	-27.71
General administrative expenses	**436,296**	460,064	-5.17
Financial expenses	**742,591**	1,038,239	-28.48
Research and development expenses	**44,695**	32,931	35.72
Investment income	**762,525**	1,025,126	-25.62
Income tax expenses	**461,238**	540,213	-14.62
Net cash flows from operating activities	**4,623,661**	3,717,306	24.38
Net cash flows from investing activities	**-4,814,835**	-36,146	13,220.67
Net cash flows from financing activities	**2,276,629**	-2,807,276	N/A

① Reasons for change in revenue: remain broadly flat YOY.

② Reasons for change in cost of services: remain broadly flat YOY.

③ Reasons for change in sales expenses: mainly due to the reduction of personnel and expenses in the environmental protection sector in the current year, resulting in a YOY decrease in the relevant expense.

④ Reasons for change in general administrative expenses: mainly due to the impairment charges on certain intangible and fixed assets in the environmental protection segment in the year, resulting in a decrease in depreciation and amortisation expenses in the current year.

⑤ Reasons for change in financial expenses: mainly due to the decrease in the financing interest rate and the appreciation of RMB in the current year, resulting in a YOY decrease in the interest expense and a YOY increase in exchange gains.

⑥ Reasons for change in R&D expenses: mainly due to the increase in R&D projects for the current year.

⑦ Reasons for change in investment income: mainly due to the recognition of gains from the disposal of the equity interests in a subsidiary in the same period of the previous year.

⑧ Reasons for change in income tax expenses: mainly due to the reversal of certain deferred tax assets recognised in previous year.

⑨ Reasons for change in net cash flows from operating activities: mainly due to the increase in electricity tariff subsidy for the current period, and the refund of advance payments for the material purchase.

⑩ Reasons for change in net cash flows from investing activities: mainly due to the increase in the net amount of structured deposits for the current year, increase in the payments for the Outer Ring Phase III Project and Jihe Expressway R&E Project, as well as the receipt of disposal proceeds from the equity interests in Yichang Company in the same period of the previous year.

⑪ Reasons for change in net cash flows from financing activities: mainly due to the funds raised from the issuance of ordinary A-shares to specific targets for the current year.

For detailed reasons for the change in the items above, please refer to the analysis below.

2. Analysis of Revenue and Cost

During the Reporting Period, the Group recorded revenue of RMB9,264,481,000 (2024: RMB9,245,691,000), remaining broadly flat YOY. The detailed analysis is as follows:

Unit: '000 Currency: RMB

Revenue item	Amount for the current period	Proportion (%)	Amount for the corresponding period last year	Proportion (%)	YOY change (%)	Description
Revenue from main business – toll highways	**5,123,849**	55.31	5,053,338	54.66	1.40	①
Revenue from main business – clean energy power generation	**544,287**	5.87	549,085	5.94	-0.87	
Revenue from main business – solid waste recycling treatment – kitchen waste treatment	**818,594**	8.84	683,562	7.39	19.75	②
Revenue from main business – solid waste recycling treatment – end-of-life vehicle and battery recycling	**149,282**	1.61	167,074	1.81	-10.65	③
Revenue from main business – other environmental protection businesses	**5,553**	0.06	9,317	0.10	-40.40	
Revenue from other business – entrusted construction and management	**308,811**	3.33	444,044	4.80	-30.45	④
Revenue from other business – real estate development	**46,307**	0.50	29,262	0.32	58.25	⑤
Revenue from other businesses – revenue from construction services under concession arrangements	**1,995,659**	21.54	1,963,891	21.24	1.62	
Revenue from other businesses – other businesses	**272,139**	2.94	346,118	3.74	-21.37	⑥
Total revenue	**9,264,481**	100.00	9,245,691	100.00	0.20	

Description:

① The Group recorded a YOY increase of 1.40% in toll revenue, excluding the impact of the deconsolidation of Yichang Company from the financial statements of the Group since 21 March 2024. On a like-for-like basis, the toll revenue of the Group increased by 3.15% YOY, primarily attributable to a YOY increase in toll revenue from some expressways due to factors such as improvement of road network.

Detailed analysis of the operational performance of various projects during the Reporting Period is set out in the "Management Discussion and Analysis" above. A breakdown of revenue by specific items is set out in "Breakdown of Main Businesses by Industry, Product and Region" below.

② The revenue from kitchen waste treatment increased by 19.75% YOY, mainly due to the increase in waste treatment volume, the rise in oils and fats prices, and the completion of the price adjustment for Bioland's Taizhou Project in the current year.

③ The revenue from end-of-life vehicle and battery recycling decreased by 10.65% YOY, mainly due to the decrease in the business volume of Shenshan Qiantai in the current year.

④ The revenue from entrusted construction and management decreased by 30.45%, mainly due to the completion of Longli River Bridge Project and Bimeng Project in the previous year and the reduction in the volume of road asset maintenance works of the Operation Development Company in the current year, resulting in a YOY decrease in recognised revenue under this category.

⑤ Real estate development revenue increased by 58.25% YOY, mainly due to the increase in the number of properties handed over to buyers in the Guilong Development Project in the current year.

⑥ The revenue from other businesses decreased by 21.37%, mainly due to the decrease in business volume of Asphalt Technology Company.

(1) Breakdown of main business by industry, product and region

Unit: '000 Currency: RMB

Breakdown of main business by industry						
Industry	Revenue	Cost of services	Gross profit rate (%)	Increase or decrease in revenue over the previous year (%)	Increase or decrease in cost of services over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Toll highways	5,123,849	2,811,056	45.14	1.40	7.54	Decrease of 3.13 pp
Solid waste recycling treatment	967,876	960,581	0.75	13.78	6.40	Increase of 6.89 pp

Breakdown of main business by product						
Product	Revenue	Cost of services	Gross profit rate (%)	Increase or decrease in revenue over the previous year (%)	Increase or decrease in cost of services over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Outer Ring Expressway	1,211,248	433,025	64.25	3.55	4.78	Decrease of 0.42 pp
Qinglian Expressway	686,588	576,664	16.01	8.51	15.52	Decrease of 5.09 pp
Jihe East	691,085	239,580	65.33	3.20	-12.86	Increase of 6.39 pp
Jihe West	566,055	125,702	77.79	3.42	2.81	Increase of 0.13 pp
Shuiguan Expressway	626,437	662,086	-5.69	-0.99	10.50	Decrease of 10.99 pp
Coastal Expressway	786,413	475,600	39.52	6.81	22.60	Decrease of 7.79 pp

Breakdown of main business by region						
Region	Revenue	Cost of services	Gross profit rate (%)	Increase or decrease in revenue over the previous year (%)	Increase or decrease in cost of services over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Guangdong Province	5,242,493	3,141,597	40.07	3.88	11.37	Decrease of 4.04 pp

Note: The breakdown of main businesses by industry, product and region only lists the projects that account for 10% or more of the Company's operating revenue or profits.

Description of breakdown of main businesses by industry, product and region:

During the Reporting Period, the overall gross profit rate of the Group's subsidiary toll highways was 45.14%, representing a YOY decrease of 3.13 percentage points, mainly due to the change in the unit amortisation amount of Qinglian Expressway and Coastal Expressway starting from 1 July 2024 and 1 July 2025 respectively, resulting in an increase in the depreciation and amortisation expenses, and the increase in the maintenance costs of Shuiguan Expressway. The gross profit rate of Jihe East increased in the current year, mainly due to the change in the unit amortisation amount of Jihe East from 1 July 2024, resulting in a decrease in the amortisation amount of intangible assets from franchise operations.

(2) Analysis of cost of services

During the Reporting Period, the cost of services of the Group amounted to RMB6,456,995,000 (2024: RMB6,324,399,000), remaining broadly flat YOY.

Unit: '000 Currency: RMB

Breakdown by industry							
Industry	Cost item	Amount for the current period	Amount for the current period as a percentage of total costs (%)	Amount for the corresponding period last year	Amount for the corresponding period last year as a percentage of total costs (%)	YOY change (%)	Description
Cost of main business – toll highways	Employee expenses	**466,592**	7.23	472,326	7.47	-1.21	
	Road maintenance expenses	**350,015**	5.42	297,476	4.70	17.66	①
	Depreciation and amortisation	**1,789,554**	27.71	1,662,245	26.28	7.66	
	Other business costs	**204,895**	3.17	181,823	2.87	12.69	
	Subtotal	**2,811,056**	43.53	2,613,870	41.32	7.54	
Cost of main business – clean energy power generation		**295,019**	4.57	305,224	4.83	-3.34	
Cost of main business – solid waste recycling treatment – kitchen waste treatment		**782,837**	12.12	691,808	10.94	13.16	②
Cost of main business – solid waste recycling treatment – end-of-life vehicle and battery recycling		**177,744**	2.75	211,023	3.34	-15.77	③
Cost of main business – other environmental protection businesses		**11,146**	0.17	15,161	0.24	-26.48	
Other business cost – entrusted construction and management		**279,961**	4.34	405,522	6.41	-30.96	④
Other business cost – real estate development		**37,625**	0.58	21,413	0.34	75.71	⑤
Other business cost – cost of construction services under concession arrangements		**1,880,536**	29.12	1,792,555	28.34	4.91	
Other business cost – other businesses		**181,071**	2.80	267,823	4.23	-32.39	⑥
Total cost of services		**6,456,995**	100.00	6,324,399	100.00	2.10	

Explanation of cost analysis:

① Mainly due to the increase in maintenance costs of some subsidiary toll highways such as Coastal Expressway and Shuiguan Expressway.

② The cost of kitchen waste treatment increased by 13.16% YOY, mainly due to the YOY increase in waste treatment revenue and costs following the commencement of commercial operation of the Guangming Environmental Park Project in February 2025. Besides, as Bioland's operating revenue increased, its operating cost increased accordingly.

③ Mainly due to the decrease in the business volume of Shenshan Qiantai.

④ Mainly due to the decrease in business volume.

⑤ Mainly due to the YOY increase in the number of flats handed over to buyers in the Guilong Development Project in the current year, resulting in a corresponding increase in the carried-forward real estate development costs.

⑥ Mainly due to the decrease in business volume of Asphalt Technology Company in the current year.

(2) Major customers and major suppliers

A. Major customers of the Company

In view of the business nature of the Group, customers of toll highways are non-specific targets. Except toll revenue, the total revenue from the top 5 customers of the Group was RMB744.66 million, accounting for 8.04% of the Group's total revenue, excluding related party sales.

B. Major suppliers of the Company

The Group's total amount of purchase from the top 5 suppliers was RMB2,045.34 million, accounting for 50.14% of the Group's total purchase amount, excluding related party purchase.

3. Expenses

The Group's selling expenses for the Reporting Period amounted to RMB9,178,000 (2024: RMB12,696,000), representing a YOY decrease of 27.71%, mainly due to the reduction of personnel in the environmental protection sector, and the YOY decrease in business expenses.

The Group's general and administrative expenses for the Reporting Period amounted to RMB436,296,000 (2024: RMB460,064,000), representing a YOY decrease of 5.17%, mainly due to the impairment charges on certain intangible and fixed assets in the environmental protection segment in the year, resulting in a decrease in depreciation and amortisation expenses in the current year.

The Group's financial expenses for the Reporting Period amounted to RMB742,591,000 (2024: RMB1,038,239,000), representing a YOY decrease of 28.48%, mainly due to the decrease in the Group's financing interest rate, resulting in a decrease in the interest expense, and the slight appreciation of the RMB, resulting in an increase in the foreign exchange gains and losses. The detailed analysis of financial expenses is as follows:

Unit: '000 Currency: RMB

Financial expenses item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Interest expenses	**859,367**	1,069,760	-19.67
Less: Interest capitalised	**-978**	9,548	N/A
Interest income	**72,338**	75,210	-3.82
Add: Exchange gains and loss	**-53,256**	46,177	N/A
Other	**7,840**	7,059	11.06
Total financial expenses	**742,591**	1,038,239	-28.48

The Group's R&D expenses for the Reporting Period amounted to RMB44,695,000 (2024: RMB32,931,000), representing a YOY increase of 35.72%, mainly due to the increase in the R&D projects.

4. Research and development investment

(1). Breakdown of research and development investment

Unit: '000 Currency: RMB

Expensed R&D investment (Current Year)	44,695
Capitalised R&D investment (Current Year)	–
Total R&D investment	44,695
Total R&D investment/revenue (%)	0.48
R&D capitalisation ratio (%)	–

(2). Description

The research and development investment mainly represented the expenses incurred for the green recycling technology for used batteries by Shenshan Qiantai, various environmental protection device systems and process technologies by Lisai Environmental, as well as a series of R&D projects such as the digital operation and intelligent control system for highways undertaken by Operation Development Company etc.

5. Explanation of the changes in income tax expense:

During the Reporting Period, the Group's income tax expenses amounted to RMB461,238,000 (2024: RMB540,213,000), representing a YOY decrease of 14.62%, mainly due to the reversal of certain deferred tax assets recognised in previous year.

6. Investment income

During the Reporting Period, the Group's investment income amounted to RMB762,525,000 (2024: 1,025,126,000), representing a YOY decrease of 25.62%, mainly attributable to the recognition of gains from the disposal of the equity interests in Yichang Company in the same period of the previous year and the provisions for asset impairment in the current year for the real estate inventory of the investee companies made. A detailed analysis is as follows:

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change in amount
1. Investment income attributable to associates/ joint ventures:			
Toll road associates/joint ventures	**504,608**	530,172	-25,563
United Land	**-30,500**	84,682	-115,182
Derun Environment	**153,497**	136,825	16,672
Other [Note 1]	**109,541**	99,458	10,083
Subtotal	**737,147**	851,137	-113,990
2. Investment income from disposal of equity interests in subsidiaries/associates	**-1,535**	149,336	-150,872
3. Investment income from other non-current financial assets	**13,032**	19,344	-6,312
4. Income from investment in wealth management products	**13,882**	5,309	8,573
Total	**762,525**	1,025,126	-262,601

Note 1: Others are investment income attributable to Yunji Intelligent, Bank of Guizhou, Shengchuang Fund, Guizhou Hengtongli, Huaian Zhongheng, Xintang JV, Fenghe Energy, etc.

7. Cash Flow

Explanation of changes in net cash flow from operating activities: During the Reporting Period, the Group's net cash inflow from operating activities amounted to RMB4,623,661,000 (2024: RMB3,717,306,000), representing a YOY increase of RMB906,355,000. This was mainly attributable to a YOY increase in electricity subsidies for wind farm projects and the refunds of advance payments for materials procurement received by subsidiaries this year. In addition, the recurring cash return [Note] on investments from toll road associates/joint ventures invested by the Company during the Reporting Period amounted to RMB555,920,000 (2024: RMB441,133,000), representing a YOY increase of RMB114,787,000, mainly due to the YOY increase in the dividend amount of GS Expressway.

Note: The recurring cash return on investments refers to the cash flow distribution (including profit distribution) from the toll road associates/joint ventures invested by the Company. According to the articles of association of certain toll road associates/joint ventures, those companies will distribute cash to their shareholders if the conditions for cash flow distribution are satisfied. According to the characteristics of the toll road industry, such cash return on investments will provide continuous and stable cash flow. The Company provided the aggregated figures of net cash inflows from operating activities and recurring cash return on investments to help the users of the financial statements understand the performance of recurring cash flows from the Group's operating and investing activities.

Explanation of changes in net cash flow from investing activities: During the Reporting Period, the Group's net cash outflow from investing activities increased by RMB4,778,690,000 YOY, mainly due to the purchase of structured deposits using temporarily idle raised funds, the increase in the investment expenditure for construction-in-progress projects, and the receipt of proceeds from the disposal of equity interest in Yichang Company during the same period last year.

Explanation of changes in net cash flow from financing activities: During the Reporting Period, the Group's net cash inflow from financing activities increased by RMB5,083,905,000 YOY, mainly due to the fund raised from the issuance of ordinary A-shares to specific targets this year.

8. Amortisation Policy for Toll Road Concession Intangible Assets and Differences under Different Amortisation Methods

The Group amortised the concession intangible assets of toll road using the traffic volume method. The approach calculates amortisation based on a unit-of-usage basis, determined by the proportion of actual traffic volume during each period relative to the estimated total traffic volume over the concession period. The Group conducts periodic reviews and adjustments of these traffic volume estimates to ensure the reasonableness of the amortisation amounts.

Generally, during the early operational stage of toll highways, the amortisation amount calculated using the traffic volume method is lower than that determined by the straight-line method. During the Reporting Period, the amortisation difference between these two methods calculated based on the Company's equity ratio was -RMB200 million (2024: -RMB212 million). The adoption of different amortisation methods does not affect the cash flows of toll road projects, and consequently has no impact on the valuation levels of individual project.

(II) Analysis of Assets and Liabilities

1. Assets and Liabilities

As at 31 December 2025, the Group's total assets amounted to RMB71,289,150,000 (31 December 2024: RMB67,558,031,000), representing an increase of 5.52% compared to the end of 2024. As at 31 December 2025, the Group's total outstanding interest-bearing liabilities amounted to RMB31,425,091,000 (31 December 2024: RMB32,057,208,000), remaining broadly flat YOY.

The detailed analysis of assets and liabilities is as follows:

Unit: '000 Currency: RMB

Name of item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of total assets (%)	Amount as at the end of last year	Amount as at the end of last year as a percentage of total assets (%)	Change in amount as at the end of the current period as compared to the end of last year (%)	Description
Cash and cash equivalents	**5,152,923**	**7.23**	2,908,582	4.31	77.16	(1)
Trading Financial assets	**2,557,452**	**3.59**	129,823	0.19	1,869.95	(2)
Prepayments	**119,599**	**0.17**	245,482	0.36	-51.28	(3)
Contract assets	**533,486**	**0.75**	370,628	0.55	43.94	(4)
Non-current assets due within one year	**941,440**	**1.32**	435,993	0.65	115.93	(5)
Long-term prepayments	**1,787,718**	**2.51**	1,312,579	1.94	36.20	(6)
Construction in progress	**119,008**	**0.17**	84,895	0.13	40.18	(7)
Goodwill	**–**	**–**	202,893	0.30	-100.00	(8)
Development expenditures	**829**	**0.00**	6,261	0.01	-86.76	(9)
Other non-current assets	**925,556**	**1.30**	1,936,717	2.87	-52.21	(5)
Short-term borrowings	**3,356,091**	**4.71**	2,573,849	3.81	30.39	(10)
Transactional financial liabilities	**270,588**	**0.38**	197,665	0.29	36.89	(11)
Notes payable	**334,726**	**0.47**	870,678	1.29	-61.56	(12)
Non-current liabilities due within one year	**6,383,064**	**8.96**	2,544,253	3.77	150.88	(13)
Provisions	**332,809**	**0.47**	242,044	0.36	37.50	(14)
Other current liabilities	**1,552,695**	**2.18**	3,053,377	4.52	-49.15	(15)

Explanation of assets and liabilities:

(1) Funds raised through the issuance of A-share ordinary shares to specific investors.

(2) Purchase of structured deposits with temporarily idle raised funds and its own funds.

(3) Receipt of refunded prepayments for material procurement.

(4) Based on asset liquidity, the "Other non-current assets" balance has been reclassified to "Contract assets".

(5) The Bimeng Project constructed by Guishen Company as entrusted was completed, accepted and opened to traffic in 2025; according to the investment cooperation agreement, the relevant receivables of this project are transferred from "Other non-current assets" to "Non-current assets due within one year" and "Long-term receivables" in the current period.

(6) Increase in prepayments for the Jihe Expressway R&E Project.

(7) Technical renovation of the wind farm project in Baotou.

(8) Recognised impairment loss on goodwill.

(9) Carry-forward of related expenditures upon the completion of an R&D project.

(10) Bay Area Development Company drew down on short-term borrowings to supplement its working capital.

(11) Increase in the balance of liabilities for difference make-up obligations.

(12) Payment of matured notes payable.

(13) Increase in bonds payable due within one year.

(14) Provision for litigation compensation recognised.

(15) Repayment of ultra-short-term financing.

2. Overseas Assets

(1) Size of assets

The Group's overseas assets were RMB922,585,000, accounting for 1.29% of the total assets. Overseas assets mainly consist of part of the H shares of Bank of Guizhou held by Mei Wah Company, a wholly-owned overseas subsidiary of the Company, and the overseas bank deposits of Mei Wah Company and its subsidiaries, which account for a small proportion of the Company's total assets.

3. Restrictions on main assets as at the end of the Reporting Period

Details of restriction of assets:

(1) As at the end of the Reporting Period, details of the mortgaged or pledged assets of the Company and its subsidiaries are as follows:

Restriction on the assets involved with the balance of secured loans as at the end of the Reporting Period					
Assets	Category	Beneficiary of security	Scope of security	Balance of secured loans as at the end of the Reporting Period (RMB100 million)	Term
Toll collection rights of Qinglian Expressway	Pledge	Industrial and Commercial Bank of China Limited Qingyuan Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB2.889 billion	17.97	Until repayment of all liabilities under the loan agreement
Toll collection rights of Coastal Expressway	Pledge	China Development Bank Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB1 billion	0.28	Until repayment of all liabilities under the loan agreement
Toll collection rights of Shuiguan Expressway	Pledge	Guangdong Huaxing Bank Co., Ltd. Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB0.6 billion	0.65	Until repayment of all liabilities under the loan agreement
Equity interests, franchise rights, accounts receivable and production equipment, among other assets, of various subsidiaries of Bioland	Pledges and mortgages	Various banks and Financial Leasing Company	The scope of security covers principal and interests of bank loans and financial leasing payments for various projects in an aggregate amount of RMB1.497 billion	9.01	Certain periods after the repayment of liabilities
100% equity interests in Qianzhi, Qianhui and Qianxin Companies	Pledge	ICBC Shenzhen Futian Sub-branch	Principal and interests of loans for acquisition in an aggregate amount of not more than RMB0.609 billion	1.80	Until repayment of all liabilities under the loan agreement
Accounts receivable accruing under franchise rights of Guangming Company, and Shaoyang Company	Pledge	Bank of China Limited Shenzhen Central District and Shaoyang Branches	Principal and interests of fixed asset loans in an aggregate amount of RMB0.937 billion	5.93	Until repayment of all liabilities under the loan agreement
Tariff collection rights of the Yongcheng Zhuneng Project	Pledge	Agricultural Bank of China Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB0.182 billion	1.44	Until repayment of all liabilities under the loan agreement
Pledge on tariff collection rights of the Mulei Project	Pledge	China Construction Bank Urumqi Sub-branch	Principal and interests of project loan in an amount of RMB1.843 billion	12.48	Until repayment of all liabilities under the loan agreement
Pledge on tariff collection rights of the Baotou Lingxiang, Ningyuan, Ningxiang, Ningfeng, and Nanchuan Projects	Pledge	Agricultural Bank of China Shenzhen Branch, China Merchants Bank Baotou Branch	Principal and interests of project loan in an amount of RMB1.181 billion	8.70	Until repayment of all liabilities under the loan agreement

(2) As at the end of the Reporting Period, details of the restrictions on the capital of the Company and its subsidiaries are as follows:

Type of restricted capital	Amount subject to restrictions (RMB100 million)
Funds in special deposit accounts for entrusted construction and management projects	0.36
Security deposit	0.27
Funds in the co-managed account	2.50
Fund frozen due to litigations	0.94
Total	**4.07**

Details of restriction of assets:

(1) Details of the restrictions on the Group's major assets at the end of the Reporting Period are set out in note V\23 to the Financial Statements in this report.

4. Capital Structure and Debt Repayment Capability

The Company is always committed to maintaining a rational capital structure and enhancing its profitability to maintain its good credit ratings and solid financial position. During the Reporting Period, the Group's key debt repayment indicators were better than those of the previous year, mainly due to the issuance of A-share ordinary shares to specific investors, the reduction in interest expenses as a result of lower financing rates, and the increase in net cash flows generated from operating activities. Given the Group's stable and robust operating cash flows and strong capabilities in financing and capital management, the Group's financial leverage ratio was at a safe level as at the end of the Reporting Period.

Key indicators	Amount as at the end of the current period	Amount as at the end of last year
Debt-to-asset ratio (total liabilities/total assets)	**55.04%**	59.74%
Net borrowings-to-equity ratio ((total borrowings-cash and cash equivalents)/total equity)	**83.24%**	108.03%

	Amount for the current period	Amount for the corresponding period of last year
Net borrowing/EBITDA ((total borrowings -cash and cash equivalents)/ earnings before interests, tax, depreciation and amortisation)	**5.46**	5.84
Interest coverage multiple ((Profit before tax + interest expenses)/ Interest expenses)	**3.00**	2.69
EBITDA interest multiple (Earnings before interests, tax, depreciation and amortisation/interest expenses)	**5.93**	4.87

5. Liquidity and Cash Management

During the Reporting Period, the Group's net current assets increased as compared to the end of the previous year after the completion of the fundraising by issuing A-shares to specific targets. The Group will further enhance project profitability, strengthen the overall fund arrangements for subsidiaries and key projects, continue to optimise the capital structure, and maintain appropriate cash on hand and sufficient bank credit and debt financing lines to prevent liquidity risks.

Unit: million Currency: RMB

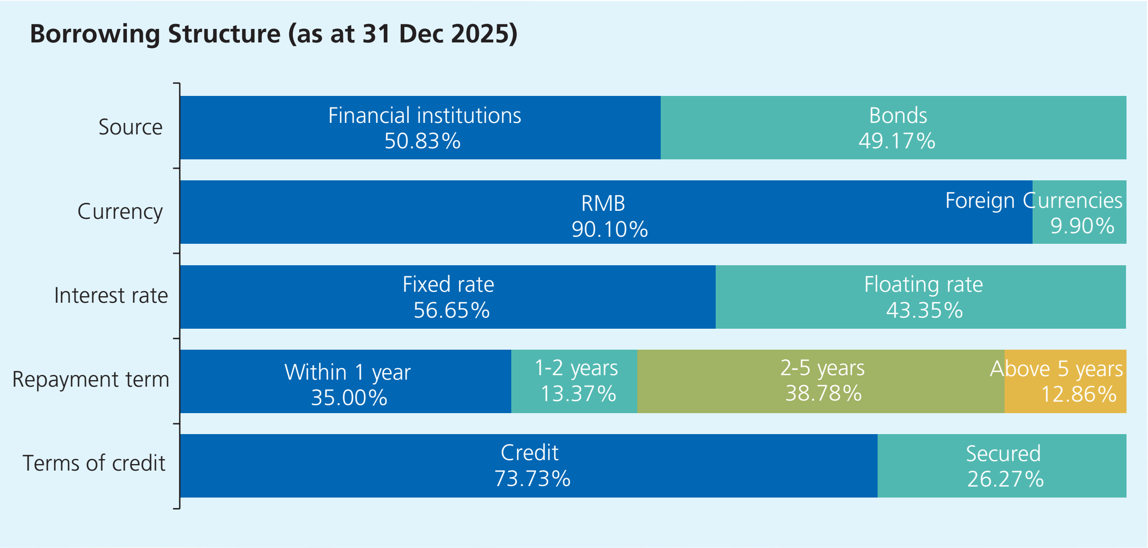
	Amount as at the end of the current period	Amount as at the end of last year	Change in amount
Net current assets	**-4,211**	-6,531	2,320
Cash and cash equivalents	**4,745**	2,670	2,075
Banking facilities available	**71,487**	65,822	5,665
Unused bond registration amount	**9,700**	8,000	1,700

6. Financial Strategies and Financing Arrangements

The Group used its self-owned funds, bank loans and bond proceeds to meet the capital needs such as operating and investment expenditures and debt repayment during the Reporting Period. Leveraging the favourable market opportunities, the Group issued ultra-short-term financing bonds, medium-term notes, corporate bonds for debt replacement and replenishment of working capital. Leveraging the opportunity of interest rate decline, the Group also strived for bank loans and bond financing with better terms through communication. In view of internal and external liquidity conditions, the Company's operation, financial position and capital expenditure plan, the Company will adjust its financial strategies in a timely manner to optimise debt structure.

As at the end of the Reporting Period, the Group did not have any overdue principal and interests for bank loans and bonds.

As at the end of the Reporting Period, the specific borrowing structure was as follows:



During the Reporting Period, the Company continued to maintain the highest credit rating and bond rating of AAA for domestic entities, and the existing investment grade ratings granted by international entities such as Moody's and S&P.

As of 31 December 2025, the Group had obtained banking facilities totalling approximately RMB84.735 billion. As at the end of the Reporting Period, unused banking facilities amounted to approximately RMB71.487 billion, and the Group's bond limit was RMB20 billion, in which RMB9.7 billion was unused as at the end of the Reporting Period.

7. Contingencies

Details of the Group's contingencies during the Reporting Period are set out in note XII\2 of the Financial Statements in this report.

8. Foreign Exchange Risks

Currently, the Group's main business operations are within the territory of China; except the payment of H share dividends, the Group's operating revenue and main capital expenditures are settled in RMB. As at the end of the Reporting Period, the Group primarily held USD300 million in bonds and HKD1.110 billion in foreign currency loans. The Group has not made any foreign currency hedging arrangements for the aforementioned foreign currency loans that are inconsistent with its functional currency. The impact of exchange rate fluctuations on the Group is minimal. For details, please refer to note IX\1.1.1 to the Financial Statements in this report.

(III) Analysis of the Investment

1. Material Equity Investments

During the Reporting Period, the Group had no significant equity investment.

2. Material Non-equity Investments

During the Reporting Period, the Group's expenditures on material non-equity investments mainly comprised the expenditures for Jihe Expressway R&E Project, Outer Ring Expressway and Coastal Phase II, as well as the settlement expenses of the kitchen waste treatment projects, totalling approximately RMB3.28 billion. The Company meets the relevant investment expenditures with a combination of self-owned funds, equity financing and debt financing. The investments in major projects are as follows:

Unit: '000 Currency: RMB

Name of Project	Project progress	Amount invested during the Reporting Period	Accumulated amount invested	Project gain
Outer Ring Project (Phases I, II and III)	73.3%	1,390,825	8,479,395	The Outer Ring Projects (Phases I and II) have been completed and opened to traffic. Coastal Phase II was opened to traffic at the end of June last year, Guangming Environmental Park officially launched operation in early February this year, several kitchen waste projects of Bioland have been completed. For the relevant operating conditions, please refer to the section "Management Discussion and Analysis" above. The Outer Ring Phase III and the Jihe Expressway R&E Project are still under construction.
Coastal Phase II	99.9%	13,723	999,326	
Jihe Expressway R&E Project	20.1%	1,463,149	3,487,916	
Multiple kitchen waste projects of Bioland	/	44,822	1,682,835	
Guangming Environmental Park Project	100%	57,041	734,545	
Total	**/**	**2,969,560**	**15,384,017**	**/**

Note: Project progress refers to progress in physical shape.

3. Financial Assets Measured at Fair Value

Unit: '000 Currency: RMB

Asset category	Beginning balance	Gains and losses from changes in fair value in the current period	Changes in cumulative fair value included in equity	Provision for impairment in the current period	Purchase amount in the current period	Sales/ redemption amount in the current period	Other changes	Ending balance	Remarks
Other	970,911	139,320	–	–	–	-23,268	–	1,086,963	(1)
Other	–	36,161	–	–	4,620,000	-2,200,000	-16,613	2,439,548	(2)
Other	129,823	-2,562		–	–	–	-9,356	117,904	(3)
Total	1,100,735	172,919		–	4,620,000	-2,223,268	-25,969	3,644,416	

Explanation on financial assets/liabilities at fair value:

(1) Mainly due to the holding of equity interests such as Shenzhen Water Planning, Unitoll Services, and State-owned Assets Collaborative Development Fund.

(2) Mainly being structured deposits.

(3) Mainly being the VAM compensation receivable for performance commitment.

(4) For details of financial assets/liabilities at fair value, please refer to note X\1 to the Financial Statements in this report.

(IV) Analysis of Major Controlling Companies and Participating Companies

1. Analysis of Major Controlling and Participating Companies

Unit: '000 Currency: RMB

				31 December 2025		2025		
Company Name	**Type of Company**	**Main business**	**Registered capital**	**Total assets**	**Net assets**	**Revenue**	**Operating profit**	**Net profit**
Outer Ring Company	Subsidiary	Investment in the construction and operation of the Shenzhen section of Outer Ring Expressway	8,611,759	**10,684,147**	**8,596,384**	**2,387,132**	**875,358**	**749,020**
Qinglian Company	Subsidiary	Construction, operation and management of Qinglian Expressway and related auxiliary facilities	3,361,000	**5,194,263**	**3,008,923**	**690,395**	**80,699**	**64,791**
Qinglong Company	Subsidiary	Development, construction, toll collection and management of Shuiguan Expressway	324,000	**669,269**	**371,562**	**629,361**	**-34,338**	**-24,691**
Shenchang Company	Subsidiary	Development, construction, toll collection and management of the northwest section of Changsha Ring Road	200,000	**365,779**	**287,262**	**256,041**	**164,021**	**123,023**
Investment Company	Subsidiary	Investment in industry and engineering construction	1,000,000	**3,120,744**	**1,511,638**	**70,599**	**-116,859**	**-92,712**
Environmental Company	Subsidiary	Investment and operation of the kitchen waste project	6,550,000	**10,224,130**	**6,562,166**	**803,555**	**-170,062**	**-226,281**
New Energy Company	Subsidiary	Investment and operation of wind power projects	2,619,441	**5,620,011**	**3,182,984**	**526,014**	**136,425**	**104,101**

Mei Wah Company	Subsidiary	It indirectly holds a 71.83% equity interest in Bay Area Development, which primarily holds equity interests in GZ West Expressway, GS Expressway, and Xintang JV, and holds a controlling interest in Coastal Company.	HKD10,970,381	**19,228,435**	**7,846,211**	**787,787**	**69,685**	**-179,005**
Derun Environment	Participating Company	Derun Environment is a comprehensive environmental enterprise with two subsidiaries listed on the main board of A shares including Chongqing Water (50.04% equity interests) and Sanfeng Environment (43.86% equity interests). The main businesses of these companies include water supply and sewage treatment, and investment, construction, integrated equipment and operation management of waste incineration power generation projects, as well as environmental remediation.	1,000,000	**66,068,480**	**18,441,698**	**13,291,543**	**2,267,065**	**767,487**

Note 1: The companies listed in the above table are the main controlling and participating companies of the Company.

Note 2: The relevant data are presented on a consolidated basis, and has been adjusted for premium amortisation and other factors.

Note 3: The net profit listed in the above table is the net profit of such companies which is attributable to owners of the Company, and the net assets listed in the above table are the net assets of such companies which is attributable to owners of the Company.

Note 4: For details of the operational and financial performance of the above major controlling companies and participating companies and their businesses during the Reporting Period, please refer to related contents in this section.

2. Acquisition and Disposal of Subsidiaries during the Reporting Period

Details of the scope of consolidation are set out in note VI to the financial statement of this report.

(V) Analysis and explanation on reasons and influences in accounting policies and accounting estimate changes, and corrections of significant accounting errors

1. Changes in accounting estimates

Unit: '000 Currency: RMB

Changes in accounting estimates and the reasons behind	Effective date	Items in the financial statement significantly affected	Impact amount
Unit amortisation of intangible assets relating to the concession of Coastal Expressway	1 July 2025	Net profit attributable to shareholders of the parent company	-26,938

Adjustment process and other explanations:

Effective from 1 July 2025, the Group changed its accounting estimate regarding the unit amortisation of intangible assets relating to the concession of Coastal Expressway, adjusting unit amortisation from RMB7.09 per vehicle to RMB9.32 per vehicle. This change to accounting estimates was considered and approved by the 57th meeting of the 9th session of the Board of the Company. For details, please refer to note III\35 to the Financial Statements in this report, and the relevant announcement of the Company dated 30 October 2025.

(VI) Fulfilment of performance commitments

1. Bioland

In October 2023, the Environmental Company received an arbitration notice from the Shenzhen Court of International Arbitration, requesting that it should assume 1% of its performance compensation liability in 2021, and the Environmental Company should return the equity interests already compensated for to the committing party.

In November 2024, the Environmental Company filed an arbitration with the Shenzhen Court of International Arbitration, requesting that the committing party should pay the performance commitment compensation in 2023 to the Environmental Company. The court has accepted this case, and merged it with the performance compensation arbitration request filed by the Environmental Company in 2023 for trial. In November 2025, the Shenzhen Court of International Arbitration rendered its awards on the above arbitrations respectively: the committing party shall transfer 19,534,720 shares of Bioland to Environmental Company without consideration. Meanwhile, the Arbitration Court dismissed both the cash compensation and other claims filed by Environmental Company and the claims filed by the committing party. The Group has taken corresponding legal measures to facilitate the prompt enforcement of the awards, and protect the legitimate rights and interests of the Group effectively.

2. Shenshan Qiantai

Regarding the 2023 performance commitments, Infrastructure and Environmental Protection Company has instituted legal proceedings with the People's Court of Longhua District, Shenzhen. The hearing was originally scheduled for the end of January 2026, but has been postponed to April for a consolidated hearing due to the counterclaim filed by Shenzhen Qiantai Renewable Energy Technology Co., Ltd. ("Shenzhen Qiantai"). Subsequent to the court's judgment, Infrastructure and Environmental Protection Company will follow up on enforcement to safeguard the legitimate rights and interests of the Company. Regarding the 2024 performance commitments, in September 2025, Infrastructure and Environmental Protection Company issued an exercise notice to Shenzhen Qiantai, demanding that the counterparty perform its share repurchase obligations in accordance with the performance commitments provisions under the investment agreement. If Shenzhen Qiantai fails to perform the relevant repurchase obligations upon expiry of the share repurchase period, Infrastructure and Environmental Protection Company will take further measures in accordance with the investment agreement to safeguard the legitimate rights and interests of the Company.

For information on the performance commitments of Bioland and Shenshan Qiantai, and the fulfilment of the performance commitments in prior years, please refer to the relevant disclosures set out in "Management's Discussion and Analysis" section of the 2023 Annual Report and 2024 Annual Report of the Company.

(VII) Profit distribution plan

The Company's 2025 net profits attributable to shareholders of the Company in its consolidated statements and the net profit of the parent company in its statements audited based on CASBE were RMB1,149,351,721.66 and RMB1,126,248,748.56 respectively. The Board recommended that after the Company transfers the discretionary surplus reserve of RMB308,719,707.91 for the year 2025, a final dividend for the year ended 31 December 2025 be distributed to all shareholders based on the total share capital of 2,537,856,127 shares as at 31 December 2025, a final cash dividend of RMB0.244 per share (before tax) for the year ended 31 December 2025, with a total amount of RMB619,236,894.99, which accounts for 58.85% of the net profits after excluding the investment income distributions payable to the holders of the perpetual bonds. The residual balance upon distribution shall be carried forward to the next year. No capital reserve was converted into share capital during the year. The aforesaid proposal will be submitted for approval at the 2025 Annual General Meeting of the Company.

1. Formulation, Implementation or Adjustment of Cash Dividend Policy

The Company has always been pursuing to reward its shareholders and has been distributing cash dividends for 28 consecutive years since its listing.

According to the Articles of Association, the Company should implement a positive cash dividend policy on the principle of paying attention to reasonable returns for shareholders, and also to meet sustainable operation and development needs. The Articles of Association clearly specify the dividend distribution standard and the lowest percentage of annual dividends, and formulate a sound decision-making procedure and mechanism. If the Company is to adjust its profit distribution policy or is unable to develop/implement a profit distribution proposal according to the policy, this shall be submitted to the general meeting for approval with a special resolution.

In 2024, the general meeting of the Company approved the Shareholders' Return Proposal for 2024-2026 (the "Shareholder Return Proposal"), specifying that "provided that the conditions for cash dividend distribution are met, and the capital demand for the Company's normal operation and development is met, the profit intended for cash dividend distribution will not be less than 55% of the net profit attributable to shareholders of the parent company in the consolidated financial statements for the same year less the distribution payable to the holders of other equity instruments such as perpetual bonds (if any) every year from 2024 to 2026".

The Company formulates and implements its cash dividend plan in strict accordance with the relevant requirements of its Articles of Association and the Shareholders' Return Proposal.

2. Plans of Profit Distribution and Conversion of Capital Reserve into Share Capital of the Company for the Past Three Years

Unit: yuan Currency: RMB

Year of dividend distribution	Number of bonus shares send for every 10 shares (shares)	Number of dividends paid for every 10 shares (RMB) (tax inclusive)	Number of conversions for every 10 shares (shares)	Cash dividend amount (tax inclusive)	Net profit in the consolidated statements of the year of dividend distribution	Percentage of dividend over the net profit in consolidated statements (%) Note
2025 proposal	0	2.44	0	619,236,894.99	1,149,351,721.66	58.85
2024	0	2.44	0	619,236,894.99	1,145,048,951.69	64.35
2023	0	5.50	0	1,199,423,679.30	2,327,197,196.81	56.03

Note: The ratios of dividends from 2023 to 2025 as shown in the table are calculated based on the net profits attributable to ordinary shareholders of the listed company in the consolidated statements for the dividend years, after excluding the investment income payable to the holders of the perpetual bonds.

VI. Discussion and Analysis on the Company's Future Development

(I) Development Strategies

The Group's 14th Five-Year (2021-2025) Development Strategy was as follows: to seize the historic opportunities presented by the development of the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen as a pilot socialist demonstration area with Chinese characteristics, the Group adopted market-oriented and innovation-driven approaches to further entrench our strengths in the toll highway industry, and proactively expanded into the featured environmental protection and integrated clean energy industries, thereby building a smart Shenzhen Expressway and facilitating the high-quality sustainable development of the Company.

2026 marks a pivotal year for the Group as it transitions to a new development phase upon the completion of the 14^{th} Five-Year Development Strategy, and it is also the inaugural year for the implementation of the 15^{th} Five-Year (2026-2030) Development Strategy. In response to the national strategic guidance of promoting high-quality development and accelerating the development of new quality productive forces, and in light of the new landscape shaped by profound industry transformation and the convergence of regional strategic opportunities, the Group will continue to uphold market-oriented and function-oriented principles. Building on a comprehensive review of the experiences and lessons learned during the 14^{th} Five-Year Strategy period, and guided by the direction set by national and provincial/municipal 15^{th} Five-Year Plans, the requirements for deepening the reform of state-owned enterprises, and industry development trends, the Group will align its unique resource endowment and mission positioning to formulate a scientific future development plan, thereby driving steady growth in the operating performance while boosting sustainable development capabilities.

(II) Operation Plans

In 2026, the Group will adhere to the general working guideline of "seeking progress while maintaining stability and promoting stability through progress". Focusing on the dual drivers of "lean operations" and "innovation-led growth", the Group will comprehensively improve the quality and efficiency of its existing assets. While balancing the optimisation of existing operations and the expansion of new growth areas, efforts will be made to entrench the competitive advantages of core businesses and actively cultivate new drivers for sustainable development, laying a solid foundation and creating a favourable start for the full implementation of the 15^{th} Five-Year Development Strategy. Looking ahead to the full year, the Group expects its main businesses to maintain a steady development momentum, and its overall profitability and operational efficiency to improve.

The priorities of the Group in 2026 are as follows:

- **Toll Highway Business:** The Group will make all-out efforts to advance the construction of major projects such as the Jihe Expressway R&E Project, and Outer Ring Phase III, while exercising stringent control over project quality, construction safety and investment progress. It will continue to deepen lifecycle maintenance and management of roads, advance the application of preventive maintenance technologies, and boost the operational efficiency and service level of the expressway network. Investments in smart expressway construction will be increased, with a focus on expanding application scenarios such as vehicle-road coordination and intelligent toll collection in key sections, and building a digital twin platform covering the core expressway network to facilitate data-driven management decision-making and efficiency improvement. Centred on core expressway network assets, the Group will prudently assess and seize investment and acquisition opportunities in high-quality road assets while exploring business opportunities along the upstream and downstream segments of the industry chain. Additionally, the Group will systematically evaluate and expand the development and utilisation of land resources along expressways to increase the comprehensive returns on assets throughout their lifecycles.

- **General-environmental Protection and Other Businesses:** The Group will continue to step up refined operational management of its existing wind power projects to lift power generation efficiency, seize investment and acquisition opportunities in high-quality projects, and steadily expand the scale of its clean energy asset portfolio. It will push forward the construction of distributed photovoltaic demonstration projects along expressways to explore integrated development models of "transportation + energy" and promote the efficient composite utilisation of road domain resources. The Group will also monitor the application of technologies such as new type of energy storage and continue pilot deployments in industrial parks. Furthermore, the Group will continue to optimise the operational management of the existing food waste treatment project, vigorously accelerate its commercialisation and tighten cost control, drive research and development in resource recovery technologies and their industrial application, and increase the added value of products such as oils and residues. It will also intensify research and development in the recycling and echelon utilisation of waste batteries, drive breakthroughs in key technologies and process optimisation, accelerate product development and market validation, and expand application scenarios for battery cascade utilisation in areas such as energy storage and low-speed electric vehicles.

- **Financial Management and Corporate Governance:** The Group will continue to advance the financial digital transformation to sharpen the precision of budget management and the efficiency of fund utilisation, and to mitigate financial risks. It will deepen the integration of business and finance, and make resource allocation more scientific and forward-looking through cross-functional data analysis. It will also seize opportunities presented by declining market interest rates to adjust the debt structure dynamically and reduce financing costs. It will consolidate cash flow management to further solidify the safeguards against debt risks and provide robust funding support for the Group's major engineering projects and business operations. The Group will also optimise its management and control systems, refining its hierarchical authorisation management mechanisms, to boost decision-making efficiency and execution effectiveness. Continuous improvements will be made to the corporate governance structure, with strengthened support and safeguards for the Board of Directors in fulfilling its duties. The Group remains committed to high-quality information disclosure and reinforces investor relations management to continuously increase transparency and market communication effectiveness. It will also drive more systematic and practical implementation of its ESG management framework, deeply integrating sustainable development principles into corporate strategy and operations, thereby underpinning the Group's high-quality and sustainable development in an all-round way.

(III) Capital Expenditure Plan

As of the date of approval of this report, the capital expenditures approved by the Board of the Group mainly included the construction expenditures for Outer Ring Project, Jihe Expressway R&E Project, kitchen waste projects of Bioland, Guangming Environmental Park and other projects. It is estimated that by the end of 2028, the total capital expenditure of the Group approved by the Board will be approximately RMB18.1 billion. The Group plans to use its own funds and borrowings to meet its capital demand. The Group's financial resources and financing capacity are currently adequate to meet the various capital expenditure needs.

The Group's capital expenditure plans approved by the Board from 2026 to 2028 are as follows:

Unit: '000 Currency: RMB

Name of Item	2026	2027	2028	Total
I. Investment in Intangible Assets and Fixed Assets				
Jihe Expressway R&E Project	3,037,837	3,281,872	3,587,096	9,906,805
Outer Ring Project (Phases I, II and III)	1,351,101	1,894,866	1,800,885	5,046,852
Qinglian Highway Upgrading Project	182,400	25,458	5,800	213,658
Kitchen waste projects of Bioland	47,271	51,012	–	98,283
Guangming Environmental Park Project	17,125	2,494	–	19,619
Lisai Environmental Technology Renovation Project	3,123	11,545	–	14,668
Coastal Phase II	674	–	–	674
II. Equity Investment				
Capital increase of Guangshenzhu Company	981,500	914,490	853,700	2,749,690
Total	**5,621,031**	**6,181,737**	**6,247,481**	**18,050,249**

(IV) Potential Risks and Countermeasures

The Group adheres to a bottom-line mindset and a systematic approach, continuously deepening its comprehensive risk management framework. Risk identification, assessment, response, and monitoring are integrated into the entire process of strategy formulation, business decision-making, and operational execution within the Group. For details of the establishment and operation of the Group's risk management system, please refer to the "Internal Control" section in this annual report. In the current period and the foreseeable future, the Group will focus on the following internal and external risk factors.

1. Industry and Policy Risks

Risk status/analysis:

The operational performance of the Group's core toll highway business is closely tied to regional economic activity. Cyclical fluctuations in the macroeconomy may impact traffic volumes and profitability across the road network. In the meanwhile, the toll highway industry is undergoing profound transformation. The pending revision of the *Regulations on the Administration of Toll Highways*, the gradual expiration of the concession period of toll highways approved and opened in the early stage generally existing in the industry, and high investment costs of new and expanded projects — all of these factors create uncertainty regarding long-term investment returns for the industry. Certain toll highway projects under the Group will gradually enter the expiration stage of the originally approved concession period, exposing the Group to risks of reduced toll revenue. If an effective transition fails to be achieved, it may exert pressure on the stability of the Group's overall revenue and profitability. Furthermore, the national push for integrated multimodal transportation networks and the widespread adoption of new energy vehicles present new challenges and demands for the traditional toll collection models and functional positioning of highway networks.

In the clean energy sector, with the deepening implementation of the "carbon peaking and carbon neutrality" strategy, a substantial number of clean energy power generation projects such as wind and photovoltaic power have been approved and constructed across regions, intensifying industry competition and leading to increased curtailment rates of wind and photovoltaic power in some areas. Policies issued by the National Development and Reform Commission and the National Energy Administration are promoting the full participation of new energy in electricity market trading. The "fixed-volume and fixed-price" model is gradually being phased out, making project returns more directly susceptible to fluctuations in electricity market prices and consumption risks in supply regions. In areas with concentrated new energy projects, grid peak-shaving pressures continue to rise. Coupled with challenges such as declining market trading electricity prices and cost-sharing for auxiliary services, expected project returns face certain pressures. Meanwhile, technical standards and environmental requirements in areas such as organic solid waste treatment and resource recycling continue to elevate, and regulatory enforcement is tightening. This places higher demands for project operation compliance, technological advancement, and continuous improvement capabilities, presenting regular challenges for the Group. Additionally, influenced by external environmental factors, the collection, transportation, and processing volumes of organic solid waste remain insufficient, the growth is slow, and payment collection cycles have lengthened, exerting pressure on the Group's business operations.

Response measures:

The Group will make vigorous efforts to advance the construction of major projects such as the Jihe Expressway R&E Project, and Outer Ring Phase III, and actively push forward the renovation and expansion for eligible projects. By upgrading road grades and service capabilities, it will apply for toll collection period approval in accordance with laws and regulations to shore up its core road network position and strengthen the resilience of our core businesses. The Group will proactively seek new project investment opportunities, refine road network layout and echelon structure, mitigate revenue fluctuations from project expiration, and safeguard the long-term steady development of its core business. The Group will closely monitor policy developments, deepen forward-looking policy research, and actively participate in industry discussions to create conditions conducive to securing a favourable policy environment. It will also reinforce scenario analysis and stress testing in investment decision-making, incorporating policy change factors into investment models to prudently assess the risk resilience of projects throughout their lifecycle.

For the clean energy power generation business, the Group will rationalise project portfolios by prioritising regions with better power consumption conditions and stable electricity supply-demand dynamics. It will actively participate in electricity market trading and develop professional capabilities in power marketing and trading strategies. Efforts will be made to promote technological upgrades and operational optimisation of existing projects to reduce costs, while actively exploring new models such as "integrated source-grid-load-storage" and cross-regional green power trading to mitigate revenue fluctuations. In the solid waste treatment sector, strict compliance with the latest environmental standards will be maintained, with increased investment in technological innovation. The Group will optimise all processes from waste collection and transportation to production and treatment, while implementing technological upgrades to drive operational projects toward higher quality, efficiency, and compliance.

2. Operational Management Risks

Risk status/Analysis:

Public expectations for traffic efficiency, safety standards, service quality and emergency response capabilities of expressways keep rising, and the construction standards for smart highways and green highways are continuously upgraded, presenting greater challenges to the operational management of toll road business. Meanwhile, as existing road and bridge facilities age, maintenance costs are trending upward, which requires a balance to be struck between maintenance grades and cost control.

The operation of the general-environmental protection business is affected by multiple factors: the power generation and returns of clean energy projects are subject to various variables such as natural weather conditions, equipment reliability, grid dispatch instructions, market-based electricity prices and local consumption capacity, resulting in increased uncertainty. The profitability of food waste treatment projects is closely linked to the market price of waste oil, the government's price adjustment mechanism for treatment service fees and the actual collection volumes, which face risks such as price fluctuations in the grease market, lagged price adjustment of service fees and instability of the collection and transportation system.

With the advancement of group-based management and control and cross-business collaboration, the complexity of refined operation and cost control has increased. This demands higher adaptability across the Group's management structure, processes and talent pool.

Response measures

Faced with the challenges brought about by group-based management and control, the Group will persist with strategic coordination and refined operations as its guiding principles. It will continuously upgrade our management system, foster greater coordination and linkage across business segments, and boost overall operational efficiency and risk resilience.

For the toll road business, the Group will continue to advance digital and smart upgrading, further the application of vehicle-road coordination, smart maintenance and digital twin technologies. These efforts aim to sharpen operational awareness and improve intelligent decision-making for road networks, thereby improving user experience and operational efficiency. Meanwhile, the Group will implement the lifecycle cost management and refined maintenance strategies. By scientifically planning maintenance investments, it aims to achieve cost-control targets while ensuring facility performance and operational safety.

For the clean energy business, the Group will strive to upgrade its market risk forecasting, aiming to accurately assess the market absorption prospects for the power generated by its projects. It will establish an early-warning mechanism for policy changes to dynamically evaluate their potential impacts on project returns. Furthermore, the Group will build a localised cooperation ecosystem by instituting regular communication and coordination mechanisms with local governments, grid enterprises and key partners. A professional team specialising in market transactions will be formed to boost competitiveness and bargaining power in electricity market trading. Additionally, the investment decision-making process will be optimised through the development of a comprehensive model. This model will integrate core modules such as resource endowment evaluation, construction cost control, electricity price trend forecasting and consumption capacity analysis, enabling dynamic simulations and scientific calculations of project returns over the entire life cycle.

For the food waste treatment business, the Group will proactively promote the R&D in high-value utilisation technologies for waste oil and fats while developing market channels to boost revenue along the value chains. Concurrently, it will continuously streamline the management of the collection and transportation system to ensure stable supply of raw materials. Furthermore, the Group will seek more effective communication with local governments and facilitate the establishment of a more scientific and dynamic price adjustment mechanism for service fees.

The Group will refine its organisational structure and management processes to better integrate resources and synergise operations across segments. It will drive the effective implementation of the refined operation and cost control system. In parallel, it will cultivate a talent pool with both specialised expertise and cross-functional versatility, thereby enhancing the Group's overall strategic execution and operational performance.

3. Performance Fluctuation Risks

Risk Profile/Analysis:

The Group's operating performance is subject to the combined impact of the aforementioned industry and policy risks, as well as operational and management risks. Risk factors across different business segments may create a compounding effect, thereby posing challenges to the stability of the Group's overall revenue and profit. For instance, the toll road business faces pressures such as the expiration of concession periods, competitive traffic diversion, and costs associated with reconstruction and expansion. Meanwhile, the general-environmental protection business confronts fluctuations in market-oriented electricity trading, as well as challenges related to waste collection, transportation, and capacity ramp-up in solid waste treatment projects. These factors may overlap during specific periods, leading to significant volatility in the Group's overall operating performance. Furthermore, new investment projects typically require substantial initial capital outlays and involve long payback periods. Should internal and external environmental conditions fail to meet expectations, the actual returns of the projects may deviate from the forecasts in their feasibility studies, exerting pressure on financial performance. Additionally, uncertainties in the macroeconomic environment may also affect the operating performance of various business segments.

Response measures:

The Group will continuously refine its comprehensive risk management system, strengthen mechanisms for risk identification, assessment, and early warning, and dynamically monitor the key risk indicators across all business segments. By enhancing budget management and cash flow planning, the Group will rationally arrange capital expenditures, optimise its debt structure, and mitigate financial volatility. During the investment decision-making process, the Group will strengthen the assessment of revenue stability over the full life cycle of projects. It will also explore the establishment of cross-segment risk hedging mechanisms, leveraging the differences in business cycles to smooth out overall performance fluctuations. Concurrently, the Group will steadily advance initiatives aimed at improving quality and boosting efficiency across all business segments, ensuring sound and steady operations while keeping risks manageable.

4. Financing Risks

Risk status/Analysis

The Group is currently in a critical phase of concurrently consolidating its core businesses and fostering new growth drivers. Major projects such as the Jihe Expressway R&E Project and the Outer Ring Phase III remain in their peak periods of capital expenditure, resulting in persistent pressure on capital expenditure. While maintaining a reasonable debt level and ensuring dividend distribution, the Group needs to make overall arrangements in its allocation of funds for debt servicing, investment, and operations. Shifts in macro monetary policies and financial market fluctuations may affect the stability of financing channels and the cost of capital. Should the market experience liquidity shortages or rising financing costs in the future, the Group may face financing risks.

Response measures

The Central Economic Work Conference clearly stated that in 2026, China will continue to implement a proactive fiscal policy and a prudent monetary policy, keep liquidity ample at an appropriate level, promote stable overall financing costs with a slight decline in the society, and foster a desirable monetary and financial environment for sustaining and improving the momentum of economic recovery. The Group attaches great importance to financing risk management and has established a regular and forward-looking fund planning and debt risk control mechanism. Faced with potential risks of changes in the financing environment and cost fluctuations, the Group will closely track macro monetary policies and financial market dynamics. Leveraging policy support and diversified financing channels, the Group will continuously optimise its financial structure to ensure the safety of funds and maintain effective cost control.

Specifically, the Group will formulate rolling capital plans aligned with its business cycles, scientifically schedule debt repayment, investment and operating expenditures to ensure the security of its capital chain. Meanwhile, it will actively maintain long-term partnerships with financial institutions, coordinate bank credit resources, conduct more in-depth analysis of credit policies and uphold its credit integrity, and plan and reserve suitable financing solutions in advance. The Group will flexibly utilise the multi-level capital markets to coordinate equity and debt financing, seize market windows to issue low-cost bonds at an appropriate time, and replace existing high-interest debts to continuously reduce the overall financing costs and optimise the debt maturity profile. In addition, the Group will continuously improve the matching management of cash flows against assets and liabilities to raise capital efficiency. While supporting the expansion of core businesses and the development of emerging sectors, the Group will maintain a reasonable debt level and dividend policy to achieve long-term financial security and sustainable development.

5. Construction Management Risks

Risk status/Analysis

The Group's major projects currently under construction include the Jihe Expressway R&E Project, the Outer Ring Phase III, and the Guangzhou-Shenzhen section of the Beijing – Hong Kong & Macao Expressway R&E Project, among others. The Jihe Expressway R&E Project adopts a three-dimensional composite channel model. Due to its massive scale, complex construction techniques, and the requirement to maintain traffic flow on the existing expressway during construction, it involves great difficulties in construction organisation and significant risks in safety management. The Outer Ring Phase III has a bridge and tunnel ratio of 95%. Given the complex construction conditions, it faces risks of budget overruns and schedule delays. The Guangzhou-Shenzhen section of the Beijing – Hong Kong & Macao Expressway R&E Project involves capacity expansion under the saturated traffic flow, which similarly presents high risks in terms of construction organisation and safety management. These projects typically involve long construction cycles, heavy capital investment and great technical difficulties. They face multiple risks such as engineering and technical challenges, uncertainties in geological conditions, fluctuations in raw material prices, difficulties in coordinating land acquisition and demolition, tightened safety and environmental regulations, and extreme weather events. Such risks may affect the achievement of project objectives regarding cost, schedule, quality and safety.

Response measures:

Over the course of its development spanning nearly three decades, the Group has established a systematic and professional engineering construction management system and a team of experienced engineering management professionals. Guided by the whole-process management and control, the Group implements refined response measures across organisational, technical, economic, safety and other perspectives.

In terms of engineering management, leveraging its well-experienced construction management team, the Group continuously optimises overall project coordination and execution by conducting in-depth survey and design, refining construction organisation demonstrations, and strengthening the performance supervision and assessment of contractors. Meanwhile, it actively advances the digital transformation of project management. By utilising BIM management platforms and intelligent safety production centres, it achieves the smart scheduling of personnel, machinery, and materials. In projects with suitable conditions, the Group promotes prefabricated assembly construction, ensuring engineering efficiency and effective quality control through industrialised construction methods. It adopts the critical path method to formulate phased milestone plans and strengthen schedule control. Special coordination mechanisms for land acquisition, demolition, and pipeline relocation have been established to proactively resolve pre-construction obstacles, ensuring that projects meet the conditions for full-scale construction at the earliest possible time.

In terms of investment control, the Group has established a full-chain cost management and control system covering estimates, budgets and final accounts, implementing dynamic monitoring throughout the entire process to ensure effective control of the total project investment. Through the price adjustment mechanism embedded in construction contracts, the Group reasonably mitigates the risks associated with price fluctuations in major building materials. In addition, it strictly enforces the engineering change management procedures, tightens internal controls, and clearly defines the rights, responsibilities, and interests of all parties to effectively prevent cost overruns.

Work safety and environmental protection remain the Group's unwavering commitment. By conducting comprehensive safety risk assessments for projects, the Group formulates targeted control measures and emergency response plans. It implements grid-based on-site safety management to hold the contractors fully accountable for their primary responsibilities. Furthermore, the Group ramps up safety training and emergency drills for front-line workers, and carry out in-depth inspections to identify and rectify hidden hazards. Meanwhile, the Group strictly enforces environmental policies and fully complies with green construction standards to achieve synergy between engineering construction and work safety and environmental protection.

Report of the Directors

The Board hereby presents the Report of the Directors and the audited financial statements for the year ended 31 December 2025. The financial statements have been prepared in accordance with CASBE, and also in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules of the HKEx.

Main Businesses and Review

The Group principally engages in the investment, construction, operation and management of toll highways, and the general environmental protection business in China. At present, the general environmental protection business mainly includes solid waste recycling treatment, and clean energy power generation. During the Reporting Period, there was no substantial change in respect of the Group's businesses. The discussion and analysis of the Group's business, business development plans, main risks encountered, uncertainties, key financial indicators, etc. as required by the relevant regulations and guidelines (including but not limited to the relevant regulations and guidelines of the PRC and Hong Kong, and the Hong Kong Companies Ordinance), can be found in "Management Discussion and Analysis" in this annual report, the Notes to the Financial Statements, and the Environmental, Social and Governance Report 2025 of the Group dated 25 March 2026.

Major Customers and Suppliers

During the Reporting Period, the revenue from the Group's top five customers and the amounts of purchases from the Group's top five suppliers accounted for approximately 8.04% and 50.14% of the Group's total revenue and total amount of purchases, respectively. For details, please refer to "Financial Analysis" of "Management Discussion and Analysis" in this annual report. No further disclosure in respect of its major customers and suppliers is to be made by the Group.

Results, Dividend Distribution Policy and Distribution

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Income Statement in this annual report.

The Board recommended the payment of a final dividend of RMB0.244 (tax inclusive) per share in cash for 2025, and the details of the Company's dividend distribution policy and the 2025 profit distribution plan are set out in "Financial Analysis" of "Management Discussion and Analysis" in this annual report.

Financial Highlights of the Group

The financial positions of the Group and the Company as at 31 December 2025 are set out in the Consolidated Statement of Financial Position and the Company's Statement of Financial Position in this annual report.

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out in "Summary of Accounting Data and Financial Indicators" in this annual report.

Share Capital

As at the end of the Reporting Period, the share capital of the Company is RMB2,537,856,127. Details are set out in "Share Capital and Shareholders" and Note V\42 to the Financial Statements in this annual report.

Purchase, Sale or Redemption of Securities

During the Reporting Period, no listed securities of the Company were purchased, sold or redeemed by the Company or its subsidiaries.

Pre-emptive Rights

According to the PRC laws and the Articles of Association, there are no provisions for pre-emptive rights requiring the Company to offer new shares (if any) firstly to the existing shareholders in proportion to their shareholdings.

Reserves Available for Distribution

As at 31 December 2025, the reserves available for distribution to shareholders of the Company according to the Chinese Accounting Standards were RMB8,628,237,805.30.

The amounts and details of material transfers to and from reserves of the Group and the Company during the Reporting Period are set out in Note V\47 to the Financial Statements in this annual report.

Tax and Tax Relief

Shareholders of the Company are taxed in accordance with the following tax regulations and the amendments thereof from time to time. They shall enjoy possible tax relief according to the actual situation. The following laws, regulations and normative documents are extracted from relevant provisions issued and effective as at 31 December 2025. Shareholders shall, if necessary, consult professional tax and legal advisors for advice relating to specific tax payment or the impact thereof.

Holders of A Shares:

Pursuant to the Notice on Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(Cai Shui [2015] No. 101), for shares of listed companies obtained by individuals from public offerings or the market, where the holding period exceeds one year, the dividends shall be exempted from individual income tax; where the holding period is less than one month (inclusive), the dividends shall be counted as taxable income in the full amount; where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis. The individual income tax rate of 20% shall be applicable for all incomes mentioned above.

Pursuant to the Notice on Withholding and Paying Enterprise Income Tax Matters Concerning PRC Domestic Enterprise Paying Dividends, Bonuses and Interests to QFII《關於中國居民企業向 QFII 支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(Guo Shui Han [2009] No. 47), for qualified foreign institutional investors, the Company shall withhold and pay enterprise income tax at a tax rate of 10%. If the relevant Shareholders consider their dividends enjoy tax treaty (arrangement) benefits, such Shareholders may apply for tax refund on their own to the competent tax authorities in accordance with the provisions after obtaining dividends.

Holders of H Shares:

Pursuant to the Enterprise Income Tax Law of the People's Republic of China《中華人民共和國企業所得税法》and its implementation rules, any PRC domestic enterprise which pays dividends to non-resident enterprise overseas H shareholders shall withhold and pay enterprise income tax at a tax rate of 10%. Pursuant to the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045《關於國税發[1993]045 號文件廢止後有關個人所得税徵管問題的通知》(Guo Shui Han [2011] No. 348) and the letter of the HKEx titled Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies dated 4 July 2011, when the domestic non-foreign invested companies which are listed in Hong Kong distribute dividends to their shareholders, the shareholders in general will be subject to individual income tax at a rate of 10%, unless otherwise specified under tax laws, regulations and other normative documents, as well as relevant tax treaties or arrangements.

Under the current practice of relevant tax authorities, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Investors under the Shanghai-Hong Kong Stock Connect Program:

For tax matters on individual investors in the PRC investing in H shares listed on HKEx and investors in Hong Kong investing in A shares listed on the Shanghai Stock Exchange under the Shanghai-Hong Kong Stock Connect Program, please refer to the Notice on Tax Policy Concerning the Pilot Inter-connected Mechanism for Trading on the Stock Markets of Shanghai and Hong Kong《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(Cai Shui [2014] No. 81) jointly issued by the Ministry of Finance, State Administration of Taxation and CSRC.

Charity Donations

During the Reporting Period, the Group made donations amounting to approximately RMB6,185,300 for charity or public welfare purposes.

Environmental Policies and Performance

The Group adheres to the basic environmental policy of "using resources rationally and protecting the environment, as well as promoting the practical application of environmentally-friendly technologies and materials in various aspects such as daily management, engineering design and construction". The Group integrates the green, recycling and low-carbon business philosophy into the entire process of production and operation. The Group also strictly complies with laws, regulations and industry practices such as the Environmental Protection Law, Air Pollution Prevention Law, Solid Waste Pollution Prevention Law, Water Pollution Prevention Law, Environmental Impact Assessment Law, and Regulations on the Administration of Construction Project Regarding Environmental Protection. The Group also promotes green construction and low-carbon operation, and actively develops and introduces innovative technologies, innovative processes and environmentally friendly materials, so as to encourage energy saving and emission reduction, promote the recycling of resources and endeavour to assume the social responsibility of environment protection.

For details of the Group's environmental policies and performance during the Reporting Period, please refer to the Environmental, Social and Governance Report 2025 of the Group.

Communication with Stakeholders

The Group continuously strengthens communication and interaction with stakeholders, including the government, shareholders, suppliers, customers, employees and communities, in order to accurately identify issues of concern to each stakeholder group and gain an in-depth understanding of their expectations and demands. Based on the characteristics of each stakeholder group, the Group establishes diversified communication channels and feedback mechanisms to ensure timely and accurate responses to their requests. Communication with the stakeholders of the Group is as follows:

Stakeholders Category	Demands and Expectations	Response Method and Content
Governments and Regulatory Agencies	• Comply with laws and regulations • Implement national policies and promote high-quality social and economic development • Support regional development	• Reporting on production and operation status, progress of significant matters and implementation of policies. • Continuously strengthen the corporate compliance management and ensure legal and compliant operation, enhance the transparency of information disclosure. • Formulate and continue to optimise the Company's strategic positioning, industrial orientation and business measures, ensure conformance to the orientation of national policies, balance economic and social benefits in development and promote social and economic development. • The Company should consider both economic and social benefits in their development to promote social and economic development. • Carry out targeted poverty alleviation and support regional development by means of industrial investment, personnel assignment and public welfare investment.
Investors	• Robust income and dividends • Reduce investment risk • Open and transparent information • High-quality development	• Do well in business operation, improve business performance and maintain a stable dividend policy. • Improve enterprise management and attach importance to risk identification and control. • Conduct information disclosure in a compliance manner and attach importance to investor relations. • Enhance the core competitiveness and long-term development capabilities of the principal business.
Suppliers	• Carry out cooperation for mutual benefit and win-win results • Fulfil contracts • Promote industry development	• Implement fair procurement and build a responsible supply chain. • Integrity and transparency, honouring commitments, fulfilling obligations with integrity. • Encourage suppliers to use new technologies, new materials and new processes, optimise their management mode and jointly promote industry development.

Stakeholders Category	Demands and Expectations	Response Method and Content
Customers	• High quality service • Ensure safe and smooth traffic flow • Ensure timely rescue and obstacle removal • Comprehensive and timely road information • Well-established road facilities • High-efficiency energy and resource output • The solid waste recycling process is safe and environmentally sound	• Render feedback on services and open the complaint channels to public. • Improve traffic efficiency with new technologies and innovative modes. • Improve traffic efficiency with new technologies and innovative modes. • Timely release traffic information. • Strengthen road maintenance. • Ensure safe and environmentally responsible production, enhance solid waste resource recovery rates, improve clean energy generation efficiency, and increase heating efficiency.
Employees	• Salary and benefits • Development opportunities • Training system	• Continuously improve the salary performance system and carry out employee satisfaction survey. • Optimise the job classification system and performance appraisal and promotion mechanisms, implementing measures such as competitive selection for management positions and a "dual mentor" for new employees. • Prioritise professional development training by developing online and offline training programmes, establishing incentive mechanisms for academic qualifications and technical professional titles, etc..
Communities	• Expressway environmental impact • Business ethics • Participate in community development • Support public charity	• Do well in project environmental assessment, planning and design. • Ensure traffic safety during construction and operation phases, and implement systematic measures to prevent dust, noise and other forms of pollution. • Value coordinated development with surrounding communities, make public the complaint channels and timely and properly handle reasonable appeals. • Carry out targeted poverty alleviation and support regional development. • Conduct public welfare volunteering activities.
NGOs/Non-Government Environmental Protection Groups	• Make rational use of resources • Protect the ecological environment	• Improve the efficiency of energy and resource utilisation. • Implement green operation and office. • Strengthen the disclosure of environmental information.

In 2025, the Group continued to communicate and interact with various stakeholders through different channels to create a mutually beneficial and win-win relationship and promote the sustainable development of the Company. For details of the Group's fulfilment of social responsibility for stakeholders during the Reporting Period, please refer to the chapter headed "Investor Relations" in this annual report as well as the Group's Environmental, Social and Governance Report 2025.

Compliance with Laws and Regulations

In 2025, the Group complied with the relevant laws and regulations that exerted a significant impact on its businesses. Pursuant to the disclosure requirements under the Environmental, Social and Governance Reporting Guidelines contained in Appendix C2 of the Listing Rules of the HKEx, the relevant details are set out as follows:

Principal laws/regulations	Policies/regulations formulated by the Company	Compliance measures
Highway Law of the People's Republic of China《中華人民共和國公路法》 Measures on the Administration of Highway Project Quality《公路工程質量管理辦法》 Inspection and Evaluation Quality Standards for Highway Engineering (JTG F80/1-2004)《公路工程質量檢驗評定標準(JTG F80/1-2004)》	Procedures for Engineering Quality Management《工程質量管理規程》 Procedures for Construction Safety Management《施工安全管理規程》 Manual for Standardised Management of Engineering Construction《工程施工標準化管理手冊》 Manual for the Prevention of Common Quality Issues《質量通病防治手冊》 Engineering Construction Organisation Design Scheme《工程施工組織設計方案》 Specifications for Supervision of Highway Projects《公路工程監理規範》 Procedures for Construction Management Control《工程建設管理控制程序》 Regulations on Supervision and Inspection of Construction Projects《工程建設項目監督檢查規程》	The Company has strictly implemented its systems and procedures. During the project management process, the Company treats contract management as the core and implements refined control over construction quality through measures such as system management, access management, construction procedure management, and standardised management. It implements quality management systems such as access management for equipment, access system for raw materials, owners' independent random inspection system, first construction recognition system, and trial construction system, so as to ensure the quality of its construction projects.
Regulations on the Administration of Toll Highways《收費公路管理條例》 Road Administration Regulations《路政管理規定》 Technical Condition Evaluation Standards for Highways (JTG H20-2007)《公路技術狀況評定標準(JTG H20 – 2007)》 Highway Maintenance Technical Specifications (JTG H10 – 2009)《公路養護技術規範(JTG H10-2009)》	Technical Specifications and Acceptance Criteria for Daily Maintenance Works《日常養護工程技術規範與驗收標準》 Manual for Project Management of Special Maintenance Works《專項養護工程項目管理手冊》 Implementation Measures for Maintenance Work and Road Assets Management during the Defect Liability Period of Newly Constructed Highways《新建公路缺陷責任期內養護、路產管理實施辦法》 Management of Highway Maintenance Projects《公路養護項目委託實施辦法》 Administrative Measures for Highway Maintenance Contracts《公路養護合同管理辦法》 Investigation and Rectification System on Potential Hazards of Road Maintenance Department《道路養護部隱患排查治理制度》	The Company has strictly adhered to the National Highway Maintenance Technical Specifications and Assessment Criteria, pursuant to which a mid-to-long term maintenance plan for each expressway has been formulated. Routine and regular inspections have been conducted to ensure the safety of structures such as bridges and tunnels. The Company has closely monitored the technical conditions of highways to identify and make corrections for highway damages as early as possible.
Tendering and Bidding Law of the People's Republic of China《中華人民共和國招標投標法》 Implementation of the Tendering and Bidding Law of the People's Republic of China《中華人民共和國招標投標法實施條例》 Civil Code of the People's Republic of China《中華人民共和國民法典》	Procurement Management Procedures《採購管理程序》 Procurement Operating Guidelines《採購操作細則》 Supplier Performance Evaluation Management Measures《供應商履約評價管理辦法》 Management Measures for the Formation of the Bid Evaluation and Award Committee《評標、定標委員會組建管理辦法》 Administrative Measures for Tendering and Bidding of Highway Construction Projects《公路工程建設項目招標投標管理辦法》 Administrative Measures for Outsourcing and Management《分包管理辦法》 Measures for Tendering and Bidding of Construction Projects《工程建設項目施工招標投標辦法》 Management Measures for Tendering and Bidding of Supervision over Highway Construction《公路工程施工監理招標投標管理辦法》 Procedures for Project Tendering Management《項目招標管理規程》 Procedures for Special Construction Technologies《專用施工技術規程》 Management Measures for Documents of Contractors Engaging in Highway Maintenance《公路養護承包商檔案管理辦法》	The Company has formulated and strictly adhered to the standards for special construction technologies in accordance with the regulatory requirements regarding qualification management, and tendering and bidding management. The Company has reviewed the qualification of potential contractors, strengthened its control over the quality of tender documents, and regularly evaluated, and established appraisal and assessment records for the constructors or contractors with whom it cooperates, striving to select cooperation partners who can meet the requirements for qualification and project quality, and establish long term cooperation relationship with creditworthy partners.

Principal laws/regulations	Policies/regulations formulated by the Company	Compliance measures
Environmental Protection Law of the People's Republic of China《中華人民共和國環境保護法》 Air Pollution Prevention Law of the People's Republic of China《中華人民共和國大氣污染防治法》 Water Pollution Prevention Law of the People's Republic of China《中華人民共和國水污染防治法》 Solid Waste Pollution Prevention Law of the People's Republic of China《中華人民共和國固體廢物污染環境防治法》 Opinions on Further Promoting Classification of Household Waste《關於進一步推進生活垃圾分類工作的若干意見》 Renewable Energy Law of the People's Republic of China《中華人民共和國可再生能源法》	Measures for the Management of Ecological and Environmental Protection《生態環境保護管理辦法》 Measures for the Management of Ecological Civilisation Construction Appraisal《生態文明建設考核管理辦法》 Monitoring and Management System for Third Parties《第三方監測管理制度》 Operating Rules for Deodorisation《除臭操作規範》 Operating Procedures for Sewage《污水操作規程》 Operating Procedures for the Desulphurisation System《脱硫系統操作規程》 Regulations on Maintenance of Pre-processing Equipment《預處理設備維修規範》 Regulations on Maintenance of Anaerobic Gas and Methane Equipment《厭氧沼氣設備維修規範》 Management System of Equipment《設備管理制度》 Management System of Production Sites《生產現場管理制度》 Operation Guide on Analysis of Operating Data of Wind Turbine《風機運行數據分析作業指導書》 Management System of Equipment Abnormality《設備異動管理制度》》 Management System of Technical Transformation《技術改造管理制度》 Management System of Special Projects《專項工程管理制度》 Monitoring and Management System of Techniques《技術監督管理制度》	In accordance with requirements of the relevant laws and regulations on environmental protection, the Company has formulated the corresponding operating rules and management systems, coupled with the establishment of facilities and equipment of environmental protection with stringent management, to ensure effective operation of such facilities and equipment of environmental protection. The Company has also monitored the emission and treatment of all types of waste in strict compliance with the requirements of pollutant discharge and environmental impact assessment to ensure compliance with the standards. In strict compliance with the technical regulations and evaluation standards issued by the PRC on the recycling and treatment of solid waste, the Company has formulated the technical standards and operating procedures in respect of harmless treatment and landfilling of inorganic waste, as well as resource recovery of kitchen waste for recycling, with a view to improving the treatment effect and reducing waste through active research and development of innovative technologies and techniques. Adopt innovative processes, new environmentally friendly materials, and efficient equipment to optimise resource allocation and energy consumption.
Work Safety Law of the People's Republic of China《中華人民共和國安全生產法》 Road Traffic Safety Law of the People's Republic of China《中華人民共和國道路交通安全法》 Emergency Response Law of the People's Republic of China《中華人民共和國突發事件應對法》 Law of the People's Republic of China on Prevention and Control of Occupational Diseases《中華人民共和國職業病防治法》	Safety and Production Management System《安全及生產管理制度》 Work Safety Responsibility Management System《安全生產責任管理制度》 Work Safety Risk Deposit System《安全生產風險抵押金制度》 Fire Safety Management System《消防安全管理制度》 Safety Education and Training Management System《安全教育培訓管理制度》 Work Safety Expense Management System《安全生產費用管理制度》 Road Maintenance Department Work Safety Management Handbook《道路養護部安全生產管理手冊》 Work Safety Standardisation Assessment Criteria《安全生產標準化考核標準》 Emergency Management System《應急管理制度》	Strictly implement all corporate systems and procedures, refine work safety protocols, and formulate action plans for addressing root causes and overcoming critical challenges in work safety. Implement hierarchical risk prevention and control mechanisms as well as hazard identification and remediation measures, promote work safety standardisation across all business segments, and establish a comprehensive and effective emergency management system to ensure safe production.

Principal laws/regulations	Policies/regulations formulated by the Company	Compliance measures
The Labour Law of the People's Republic of China《中華人民共和國勞動法》 Labour Contract Law of the People's Republic of China《中華人民共和國勞動合同法》 Regulations on Ensuring the Payment of Migrant Workers' Wages《保障農民工工資支付條例》	Measures for Management of Employee Recruitment《員工招聘管理辦法》 New Employee Onboarding and Regularisation Management Measures《新員工入職、轉正管理辦法》 Compensation Administration Measures《薪酬管理辦法》 Performance Management System《績效管理制度》 Employee Training Management Measures《員工培訓管理辦法》 Regulations on the Management of Professional Titles and Qualification Examinations《職稱及資格考試管理辦法》 Measures for Selection and Appointment of Management《管理人員選拔任用辦法》 Employee Position System Management Measures《員工職位體系管理辦法》 Employee Competitive Position Management Measures《員工競爭上崗管理辦法》	Protect the legitimate rights and interests of employees, enhance the protection of employee rights, optimise the employee remuneration and benefits system, deepen the talent training and development system, and improve the open and fair performance appraisal and job promotion system.
Criminal Law of the People's Republic of China《中華人民共和國刑法》 The Anti-Money Laundering Law of the People's Republic of China《中華人民共和國反洗錢法》	Compliance Management Measures《合規管理辦法》 Compliance Manual《合規手冊》 Measures for Preventing Conflicts of Interest Among Staff《防止工作人員利益衝突管理辦法》	Implement the risk prevention and control system and work mechanism, establish a compliance, risk control, and supervision collaborative closed-loop management system, standardise the process for handling and disposing of problem clues, and carry out integrity warning education activities.

Report on Corporate Social Responsibility

In March 2026, the management of the Group submitted to the Board the Environmental, Social and Governance Report 2025, which focuses on the responsibility and practices of the Company in relation to environment, products, customers, employees, communities and other aspects. Details of the environment, society and corporate governance performance of the Group in 2025 are set out in the Environmental, Social and Governance Report 2025. The Environmental, Social and Governance Report 2025 can be accessed and downloaded on the websites of the SSE (http://www.sse.com.cn) (in Chinese), the HKEx (http://www.hkexnews.hk) (in both Chinese and English) and the Company's H-share market website (https://expressway.aconnect.com.hk). Through the report, investors can obtain more comprehensive and detailed information in relation to the performance of social responsibility of the Group.

Fixed Assets and Intangible Assets

The movements in fixed assets and intangible assets of the Group during the Reporting Period are set out in Notes V\16 and V\19 to the Financial Statements in this annual report respectively.

Bank Loans and Other Borrowings

Details of bank loans and other borrowings of the Group and the Company as at the end of the Reporting Period are set out in Notes V\24, V\33, V\34, V\35, and V\36 to the Financial Statements in this annual report.

Subsidiaries, Joint Ventures and Associates

Details of the Company's subsidiaries, joint ventures and associates are set out in Note V\13 and Note VII to the Financial Statements in this annual report respectively.

Directors and Senior Management (Hereinafter Referred to as the "Management")

(1) Information of the Management and changes in the Management during the Reporting Period are set out in "Directors, Senior Management and Employees" in this annual report.

(2) Details of the remuneration received by the Management during the Reporting Period are set out in "Directors, Senior Management and Employees" in this annual report and Note XI\5 to the Financial Statements.

(3) Service contracts:

Each of the Directors of the ninth session of the Board has entered into a director's service contract with the Company. Contents of such contracts are the same in all major material respects. The term of the ninth session of the Board expired on 31 December 2023. Since the nomination of candidates for the new Board has not been completed, the term-end election of the Board will be postponed; before the completion of the term-end election of the Board, all members of the ninth session of the Board will continue to perform their duties and obligations in accordance with laws, regulations, the Articles of Association of the Company, etc. The Company has renewed the supplementary director service contracts with the Directors, which will expire upon expiry of the office term of the ninth session of the Board. As at the end of the Reporting Period, the service contracts signed with the directors currently in office are as follows:

Name	Position	Date of being elected as a director at the general meeting	Commencement date of contract	Expiry date of contract
Xu En Li	Chairman of the Board	9 January 2025	9 January 2025	Expiry date of the ninth session of the Board
Liao Xiang Wen	Executive Director	29 December 2020	1 January 2021	Renewed until the expiry date of the ninth session of the Board
Yao Hai	Executive Director	20 February 2024	20 February 2024	Expiry date of the ninth session of the Board
Jin Zhen Yuan	Executive Director	17 December 2025	17 December 2025	Expiry date of the ninth session of the Board
Hou Sheng Hai	Non-Executive Director	17 December 2025	17 December 2025	Expiry date of the ninth session of the Board
Chen Yun Jiang	Non-Executive Director	30 June 2025	30 June 2025	Expiry date of the ninth session of the Board
Wu Yan Ling	Non-Executive Director	9 January 2025	9 January 2025	Expiry date of the ninth session of the Board
Zhang Jian	Non-Executive Director	9 January 2025	9 January 2025	Expiry date of the ninth session of the Board
Li Fei Long	Independent Non-Executive Director	29 December 2020	1 January 2021	Renewed until the expiry date of the ninth session of the Board

Name	Position	Date of being elected as a director at the general meeting	Commencement date of contract	Expiry date of contract
Miao Jun	Independent Non-Executive Director	17 May 2021	17 May 2021	Renewed until the expiry date of the ninth session of the Board
Xu Hua Xiang	Independent Non-Executive Director	17 May 2021	17 May 2021	Renewed until the expiry date of the ninth session of the Board
Yan Yan	Independent Non-Executive Director	20 February 2024	20 February 2024	Expiry date of the ninth session of the Board

Save as disclosed above, no service contract which is not determinable within one year without payment of compensation (other than statutory compensation) has been or is proposed to be entered into between the Company and the Directors.

(4) Interests in contracts:

As at the end of the Reporting Period or at any time during the Reporting Period, no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest or any significant conflict of interests, whether directly or indirectly, was entered into, and no such contract subsisted at the end of the Reporting Period or at any time during the Reporting Period (excluding service contracts).

None of the Management has any conflict of interests in any contract or arrangement entered into by any member of the Group or any contract or arrangement which subsists at the date of this annual report and which is significant to the businesses of the Group.

(5) Loans provided to senior management:

During the Reporting Period, the Group has not provided any loans or loan guarantees, directly or indirectly, to the Management of the Company and its controlling shareholder(s) or their respective connected persons.

(6) Rights to subscribe for shares or debentures:

As at 31 December 2025, the interests or short positions of the Directors or the Chief Executive in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part 15 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) which were required to be entered into the register maintained by the Company under Section 352 of the Securities and Futures Ordinance (including interests and short positions deemed or taken to have under such provisions of the Securities and Futures Ordinance) or which were required to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (collectively, "interests or short positions") were as follows:

Long positions in ordinary shares of Shenzhen International:

Name	Number of ordinary shares held as at 31 December 2025	Change during the Reporting Period	Approximate percentage of ordinary shares held in the issued share capital of Shenzhen International	Nature of interests	Capacity
Liao Xiang Wen(4)	0	-21,520	0	Family interests	Beneficial owner

Interests in share option of Shenzhen International:

Name	Options	Number of share options unexercised as at 31 December 2025(1)(2)(3)	Change during the Reporting Period				Nature of interests	Capacity
			Adjustment during the Reporting Period	Granted during the Reporting Period	Exercised	Lapsed		
Liao Xiang Wen(4)	Share option scheme 1(1)	332,000	–	–	–	–	Family interests	Beneficial owner
	Share option scheme 2(2)	249,000	–	–	–	–		
	Share option scheme 3(3)	249,000	–	–	–	–		
Hou Sheng Hai	Share option scheme 1(1)	626,800	–	–	–	–	Interests of director	Beneficial owner
	Share option scheme 2(2)	470,100	–	–	–	–		
	Share option scheme 3(3)	470,100	–	–	–	–		

Note:

(1) Share option scheme 1 was granted on 1 November 2023 and could be exercised during the period from 1 November 2025 to 31 October 2028 pursuant to the grant provision;

(2) Share option scheme 2 was granted on 1 November 2023 and could be exercised during the period from 1 November 2026 to 31 October 2028 pursuant to the grant provision;

(3) Share option scheme 3 was granted on 1 November 2023 and could be exercised during the period from 1 November 2027 to 31 October 2028 pursuant to the grant provision;

(4) The interests are owned by the spouse of Liao Xiang Wen, a Director of the Company.

Saved as disclosed herein, as at 31 December 2025, none of the Directors or the Chief Executive had any interests or short positions defined above.

Equity-linked Agreements

As at 31 December 2025, neither the Company nor any of its subsidiaries had entered into any equity-linked agreement.

Permissible Indemnity Provisions for the Directors

As at 31 December 2025, the Company had adopted permissible indemnity provisions and had purchased directors' and officers' liability insurance to provide appropriate protection for its directors and senior management against potential liabilities arising from legal proceedings that they may respectively face. For details, please refer to C.1 "Responsibilities of the Directors" of the "Corporate Governance Report" in this annual report.

Major Financing Matters

(1) Issuance of A-shares to Specific Targets ("A Share Issuance")

According to the CSRC's Approval on Shenzhen Expressway Corporation Limited's Registration for Issuing Shares to Specific Targets (Zheng Jian Xu Ke [2024] No. 1748), the Company has completed the issuance of A-shares to specific targets in March 2025, and the net proceeds from the issuance after deducting issuance expenses will be used for the investment and construction of the Outer Ring Project, for the repayment of interest-bearing debt and other purposes. A total of 357,085,801 A-shares, each with a nominal value of RMB1.00, were issued at a price of RMB13.17 per share, with a net amount of proceeds of RMB4,679,236,514.71 (representing a net price of approximately RMB13.10 per share). These issued shares were listed on the SSE on 27 March 2025. The closing price of the Company's A shares on 4 March 2025 (the date of determining the offering terms) was RMB12.19 per share. The subscribers of this offering and their allotted quantities are as follows: XTC Company (75,930,144 shares); Yunshan Capital (242,976,461 shares); and Anhui Expressway (38,179,196 shares). XTC Company is the largest shareholder of the Company and primarily engages in investment and development of logistics infrastructure. Yunshan Capital is a limited liability company incorporated in China, mainly engaged in equity investment and related businesses. Its ultimate beneficial owner is the Jiangsu Provincial People's Government. Anhui Expressway is a limited liability company established in China, principally engaged in the operation and management of toll highways and related businesses. Its A shares are listed on the SSE (Stock code: 600012), and its H shares are listed on the Hong Kong Stock Exchange (Stock code: 00995).

Upon completion of this issuance, the total share capital of the Company increased from 2,180,770,326 shares to 2,537,856,127 shares, comprising 1,790,356,127 A-shares, accounting for approximately 70.55% of the total share capital of the Company, and 747,500,000 H-shares, accounting for approximately 29.45% of the total share capital of the Company.

For details about this issuance, please refer to the Company's relevant announcements and disclosure documents dated 14 July and 20 September 2023, 25 January, 22 May, 26 July, 30 August, 20 September, 8 November and 13 December 2024, and 18 March and 28 March 2025, the circulars dated 24 August 2023 and 23 August 2024, the meeting materials for the first extraordinary general meeting in 2023, the first A-share class meeting in 2023, the third extraordinary general meeting in 2024 and the first A-share class meeting in 2024, as well as the "Share Capital and Shareholders" section hereof.

During the Reporting Period, the net proceeds from the issuance of A-shares to specific targets have been utilised as per our publicly disclosed plan, without any material changes or delays. For details, please refer to "Progress on the Use of Proceeds" below in this section.

(2) Issuance of Medium-term Notes

The Company issued the 2025 Phase I and Phase II medium-term notes on 8 January 2025, with issuance sizes of RMB1 billion and RMB500 million respectively, both having a term of 3 years and a coupon rate of 1.7%. For details, please refer to the Company's announcements dated 6 January and 9 January 2025.

(3) Issuance of Corporate Bonds

The Company publicly issued 2025 Phase I corporate bonds for professional investors on 12 March 2025, with an issuance size of RMB2.3 billion, a term of 5 years and a coupon rate of 2.29%. The bonds have been listed on the SSE. For details, please refer to the Company's announcements dated 10 March and 12 March 2025.

The Company publicly issued 2025 Phase I perpetual corporate bonds for professional investors on 16 April 2025. The bonds are offered in two types, with a total issuance size of RMB2 billion. Type I has a basic term of 3 years and an issuance size of RMB1 billion, with a coupon rate of 2.05%, and type II has a basic term of 5 years and an issuance size of RMB1 billion, with a coupon rate of 2.20%. Both types have been listed and traded on the SSE. For details, please refer to the Company's announcements dated 14 April and 16 April 2025.

The Company publicly issued 2025 Phase II perpetual corporate bonds for professional investors on 13 May 2025. The bonds are offered in two types, with a total issuance size of RMB2 billion. Type I has a basic term of 3 years and an issuance size of RMB1 billion, with a coupon rate of 2.05%, and type II has a basic term of 5 years and an issuance size of RMB1 billion, with a coupon rate of 2.18%. Both types have been listed on the SSE. For details, please refer to the Company's announcements dated 8 May and 13 May 2025.

The Company publicly issued 2026 Phase I corporate bonds for professional investors on 6 January 2026, with a total issuance size of RMB1.5 billion, a term of 5 years and a coupon rate of 1.98%. The bonds have been listed on the SSE. For details, please refer to the Company's announcements dated 31 December 2025 and 6 January 2026.

For details about listed bonds of the Company during the Reporting Period, please refer to "II. Issuing and Listing of the Securities" in the "Share Capital and Shareholders" section in this annual report.

(4) Issuance of Ultra-short-term Financing Notes

The Company issued the 2025 Phase I ultra-short-term financing notes on 15 April 2025, with an issuance size of RMB1.5 billion, a term of 270 days and a coupon rate of 1.64%. For details, please refer to the Company's announcements dated 15 April and 16 April 2025.

Further Disclosure Made Pursuant to the Listing Rules of the HKEx

Save as disclosed above, the transactions with connected parties set out in Note XI to the Financial Statements in this annual report are either connected transactions or continuing connected transactions exempt from reporting, announcement, independent shareholders' approval and/or annual review requirements pursuant to Rules 14A.76, 14A.95 and 14A.96 of the Listing Rules of the HKEx, or do not constitute connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules of the HKEx. The Company does not have any other matters that need to be disclosed in accordance with Chapter 14A of the Listing Rules of the HKEx.

Non-Operating Occupation of Funds by the Company's Controlling Shareholder and Other Related Parties (as Defined in the Relevant PRC Regulations)

As at the date of this report, there was no non-operating occupation of funds by the Company's controlling shareholder or its related parties. The auditor of the Company has issued a specific report in relation to the statement of fund occupation by the controlling shareholders and other related parties prepared by the Company in accordance with the relevant requirements.

Major Investment and Transaction Matters

On 23 January 2025, with the approval of the Board, the Company considered and passed a resolution regarding a capital increase in Guangshenzhu Company. Pursuant to the resolution, Bay Area Development, a subsidiary of the Company, proposes to, through its controlled subsidiary Hopewell China Development (Superhighway) Limited, make a pro-rata subscription and contribution of registered capital amounting to RMB3.285 billion to Guangshenzhu Company in which Bay Area Development holds a 45% stake. The contribution is designated for the reconstruction and expansion project of the Huocun, Guangzhou – Chang'an, Dongguan section of the Beijing-Hong Kong & Macao Expressway and the Huangcun – Huocun section in Guangzhou of the Guangzhou-Foshan Expressway, both of which are operated by Guangshenzhu Company. For details, please refer to the Company's announcement dated 24 January 2025.

External Guarantees

Unit: RMB million, unless otherwise specified

External guarantees of the Company (excluding guarantees for subsidiaries)											
Name of the guarantor	Name of the guaranteed	Amount of guarantee	Date of occurrence (date of the agreement)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Completed or not	Overdue or not	Overdue amount of guarantee	Counter guarantee provided or not	Guarantee for related party or not
Guizhou Property [1]	Customers of Shenzhen Expressway – Interlaken Town	259.19	Jan. 2016 – Dec. 2025	Effective date of the mortgage loan contract	Effective date of the mortgage under the contract	Joint and several liability guarantee	No	No		No	No
Total amount of guarantees incurred during the Reporting Period											-95.47
Total balance of guarantees as at the end of the Reporting Period (A)											259.19
Guarantees for subsidiaries of the Company											
Total amount of guarantees for subsidiaries incurred during the Reporting Period											-1,211.68
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)											3,296.08
Total amount of guarantees of the Company (including guarantees for subsidiaries)											
Total amount of guarantees (A + B)											3,555.27
Proportion of total amount of guarantees to the net assets of the Company (%)											13.15
Among them:											
Amount of guarantees for shareholders, de-facto controller and their related parties (C)											–
Amount of the debt guarantees directly or indirectly provided for those whose gearing ratio exceeded 70% (D)											1,509.91
Amount of the guarantees that exceed 50% of net assets in aggregate (E)											–
Total amount of the above three guarantees (C+D+E)											1,509.91
Description on unexpired guarantees that may be confronted with joint and several liability											Please refer to the description below

Description on guarantees:

(1) At the 4th meeting of the 7th session of the Board held on 30 June 2015, the 27th meeting of the 7th session of the Board held on 18 August 2017, and the 2017 annual general meeting held on 31 May 2018, the Company considered and approved the phased joint and several liability guarantees provided by Guizhou Property, a controlling subsidiary of the Company, for qualified mortgage customers who purchased the "Shenzhen Expressway – Interlaken Town (now renamed as Shenzhen Expressway – Youshan Villa)" project in line with industry practices in the real estate sector, with a total guarantee amount not exceeding RMB1 billion. During the Reporting Period, Guizhou Property provided phased guarantees for 11 customers with an aggregate of RMB7.20 million, and the phased guarantees of RMB102.67 million provided in the previous period have been released. As at the end of the Reporting Period, the balance of the guarantees actually provided by Guizhou Property was RMB259.19 million.

(2) During the Reporting Period, the total amount of new joint and several liability guarantees of the Company actually provided by Bioland and Bay Area Development for their subsidiaries was RMB617.25 million. Guarantees of equivalent RMB1,813.43 million were released due to the repayment of loans by the Company's controlled subsidiaries. Additionally, guarantees of RMB15.50 million provided by Bioland before it was acquired by the Company were released during the Reporting Period. As at the end of the Reporting Period, the balance of the guarantees actually provided by the Company for its subsidiaries amounted to RMB3,296.08 million.

(3) The Company has not provided any external guarantee in violation of the stipulated decision-making procedures.

Guarantee Authorisation and Guarantees for Subsidiaries of the Company

(1) Guarantee authorisation

The authorisation of guarantees approved by the general meeting of the Company is as follows:

At the 2023 annual general meeting held on 25 June 2024, the Company considered and passed the proposal on the authorisation of guarantees. The Board or any executive director authorised by it may provide guarantees of not more than RMB1.7 billion in aggregate for wholly-owned subsidiaries (including not more than RMB500 million for wholly-owned subsidiaries whose gearing ratio exceeds 70%), and not more than RMB5.5 billion in aggregate for non-wholly-owned subsidiaries (including not more than RMB4.1 billion for controlling subsidiaries whose gearing ratio exceeds 70%), as necessary. These guarantees include financing guarantees and guarantee letters. The guarantee authorisation will be effective from the date of approval by the general meeting to the date when the 2024 annual general meeting is held.

At the 2024 annual general meeting held on 30 June 2025, the Company considered and passed the proposal on the authorisation of guarantees. The Board or any executive director authorised by it may provide guarantees of not more than RMB1.3 billion in aggregate for wholly-owned subsidiaries (including not more than RMB300 million for wholly-owned subsidiaries whose gearing ratio exceeds 70%), and not more than RMB3.5 billion in aggregate for wholly-owned subsidiaries (including not more than RMB2.65 billion for controlling subsidiaries whose gearing ratio exceeds 70%), as necessary. These guarantees include financing guarantees and guarantee letters. The guarantee authorisation will be effective from the date of approval by the general meeting to the date when the 2025 annual general meeting is held.

(2) Guarantees for subsidiaries of the Company

As at the end of the Reporting Period, the guarantees for subsidiaries of the Group were as follows:

Unit: RMB million Currency: RMB

External guarantees of the Company (guarantees for subsidiaries)											
Name of the guarantor	Name of the guaranteed	Maximum amount of guarantees	Actual balance of principal of guaranteed debts	Date of occurrence (date of the agreement)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Completed or not	Overdue or not	Counter guarantee provided or not
Investment Company [Note 1]	Shengao Lekang	36.26	22.94	11 May 2023	11 May 2023	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland [Note 1]	Fuzhou Bioland, Guilin Bioland, Beihai Zhonglan, Zhuji Bioland, Handan Bioland, Huangshi Bioland, Sichuan Lansheng, Taizhou Bioland, Guangxi Bioland, Guiyang Bioland and Dezhou Bioland	1,281.23	867.07	15 Sep. 2021~ 8 Jul 2025	15 Sep. 2021~ 8 Jul. 2025	3 years after the expiry date of the debt performance period (two years for Fuzhou Bioland)	Joint and several liability guarantee	No	No	No
Bay Area Development [Note 1]	Shenzhen Bay Infrastructure	1,798	1,400	8 Nov. 2022	8 Nov. 2022	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bay Area Development [Note 1]	SIHC Bay Area Finance Limited	3,083.86	478.71	24 Jun. 2024~ 19 Jun. 2025	24 Jun. 2024~ 19 Jun. 2025	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Bioland	Various project subsidiaries in which the Company invested prior to its acquisition of Bioland [Note 2]	20.90	3.50	30 Nov. 2015~ 9 Mar. 2017	30 Nov. 2015	2 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bay Area Development	SIHC Bay Area Finance Limited [Note 3]	1,917.13	523.87	2 Mar. 2020~ 14 Jul. 2020	2 Mar. 2020	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Total		/	**3,296.08**	/	/	/	/	/	/	/

Note 1: Pursuant to the guarantee authorisation approved by the shareholders' general meeting and/or the Board of Directors' approval, the guarantees actually provided by the Company to its subsidiaries as at the end of the Reporting Period. For details about the guarantees, please refer to the Company's announcements dated 15 September, 24 December and 30 December 2021, 8 November 2022, 6 January, 11 May, 12 May, 29 June, and 25 August 2023, 12 June, 30 August, and 22 November 2024, 17 April, 19 June and 8 July 2025.

Note 2: The external guarantees provided by Bioland before it was acquired by the Company are all guarantees provided by Bioland for its subsidiaries. As at the end of the Reporting Period, the outstanding principal balance of guaranteed debts amounted to RMB3.50 million.

Note 3: Guarantees provided by Bay Area Development for its subsidiaries before it was acquired by the Company. As at the end of the Reporting Period, the outstanding principal balance of guaranteed debts totalled RMB523.87 million.

Mortgage and Pledge of Assets

For details of the Company's and its subsidiaries' assets mortgaged or pledged as at the end of the Reporting Period, please refer to the relevant contents of "3. Restrictions on main assets as at the end of the Reporting Period" in "III. Financial Analysis" in the "Management Discussion and Analysis" section in this report.

Entrusted Wealth Management

Unit: Billion Currency: RMB

Type	Risk Profile	Outstanding balance	Overdue amount uncovered
Bank Wealth Management Products	Low	2.860	0

Description of entrusted wealth management:

As approved by the Board of the Company, provided that the safety and liquidity of its capital reserves are ensured, the Group invests part of its capital reserves in wealth management products issued by banks. During the Reporting Period, 23 new principal-guaranteed floating income wealth management products transactions and 1 new large-denomination certificates of deposit transaction, with an entrusted wealth management amount of RMB6.020 billion. As at the end of the Reporting Period, the Group's wealth management products was RMB2.860 billion, with income on entrusted wealth management of RMB21,431,065.45 (tax included) received during the Reporting Period, and there was no outstanding principal or income.

Progress on the Use of Proceeds

(I) Overall Utilisation of Proceeds

Currency: RMB Unit: RMB10,000

Sources of proceeds	Time of receiving proceeds	Total amount of proceeds	Net amount of proceeds (1)	Total investment amount committed from proceeds in the prospectus or offering memorandum (2)	Total amount of funds over-raised (3) = (1) – (2)	Total cumulative investment of proceeds as at the end of the period (4)	Including: Total cumulative investment of funds over-raised as at the end of the period (5)	Cumulative investment progress of proceeds as at the end of the period (%) (6) = (4)/(1)	Cumulative investment progress of funds over-raised as at the end of the period (%) (7) = (5)/(3)	Amount invested this year (8)	Proportion of the investment amount this year (%) (9) = (8)/(1)	Total amount of proceeds with purposes changed
Issuance of shares to specific targets	12 March 2025	470,282.00	467,923.65	470,282.00	/	167,656.64	/	35.83%	/	167,656.64	35.83%	/
Total	/	**470,282.00**	**467,923.65**	**470,282.00**	/	**167,656.64**	/	/	/	**167,656.64**	/	/

(II) Details of Fundraising Projects

1. Detailed Utilisation of Proceeds

Currency: RMB Unit: RMB10,000

Sources of proceeds	Project name	Project nature	Whether it is a committed investment project in the prospectus or the offering memorandum	Whether it involves the change in the investment	Total planned investment amount of the proceeds (1)	Amount invested this year	Total cumulative investment of proceeds as at the end of the period (2)	Cumulative investment progress as at the end of the period (%) (3)= (2)/(1)	Timeline for the proposed use of proceeds	Project completion status	Whether the investment progress is in line with the planned schedule	Specific reasons for failure to meet the planned investment progress	Benefits achieved this year	Benefits or R&D Outcomes achieved by the Project	Are there any material changes to the project feasibility? If so, please provide specific details	Surplus amount
Issuance of shares to specific targets	Shenzhen Outer Ring Expressway Project (Shenzhen Section)(1)	Investment and construction	Yes	No	457,693.21	157,426.20	157,426.20	34.40%	Until 2027	No	Yes	N/A	N/A	N/A	N/A	N/A
Issuance of shares to specific targets	Repayment of interest-bearing liabilities	Loan repayment	Yes	No	10,230.44	10,230.44	10,230.44	100%	Utilised as at 31 Dec. 2025	Yes	Yes	N/A	N/A	N/A	N/A	N/A
Total	/	/	/	/	**467,923.65**	**167,656.64**	**167,656.64**	/	/	/	/	/	/	/	/	/

Note (1): As at this Reporting Period, the remaining proceeds of RMB3,002.57 million (approximately 64% of total amount of proceeds) will be utilised in phases according to the project construction needs and is expected to be fully used by 2027.

(III) Other Use of Proceeds During the Reporting Period

1. Initial – Investment and Replacement of Proceeds for Investment Projects

On 29 April 2025, the Company convened the 54th meeting of the Ninth Board of Directors and the 32nd meeting of the Ninth Board of Supervisors, during which *the Proposal on the Use of a Portion of Proceeds to Replace Self-raised Funds Previously Deployed for the Fundraising Projects and Paid Issuance Costs* was considered and approved. The proposal authorised the use of proceeds to replace the self-proceeds totalling RMB1,263,576,794.87 that had been previously invested by the Company and its controlling subsidiary, Outer Ring Company, in the fundraising project and used for the payment of issuance expenses. Deloitte & Hua Yong LLP (Special General Partnership) has reviewed the aforementioned self-proceeds previously deployed for investment projects and the payment of issuance costs, and issued the *Audit Report on the Self-raised Funds Previously Deployed for Investment Projects and Payment of Issuance Costs*. The sponsor, CITIC Securities Company Limited, issued a verification opinion with no objections. As at 31 December 2025, the Group had replaced self-proceeds previously deployed for investment projects and paid issuance costs with the proceeds, totalling RMB1,263,576,794.87.

On the same day, the meeting considered and approved *the Proposal on Subsidiaries Using Notes to Make Advance Payments for Funds Required for Fundraising Projects and Replacing Them with an Equivalent Amount of Raised Funds upon Maturity.* It authorised the use of commercial acceptance notes and other forms of notes to make advance payments for part of the funds required for the fundraising project. Upon maturity of such notes, the equivalent amount shall be reimbursed with raised funds, and such reimbursed amount shall be deemed as funds utilised for the fundraising project. The sponsor, CITIC Securities, issued a verification opinion with no objections. As at 31 December 2025, the total amount replaced with an equivalent amount of raised funds upon maturity of notes amounted to RMB10,284,502.00.

2. Cash Management of Idle Proceeds and Investment in Related Products

Unit: RMB10,000 Currency: RMB

Date of review by the Board	Effective limit reviewed for the use of proceeds for cash management	Effective date	Expiration date	Cash management balance as at the end of the period	Whether the maximum balance exceeds the authorised limit during the period
21 March 2025	300,000	16 May 2025	10 February 2026	40,000	No
		19 May 2025	13 February 2026	40,000	No
		25 June 2025	20 March 2026	100,000	No

Note: Approved by the Company at the Fifty-third Meeting of the Ninth Board of Directors held on 21 March 2025, and in order to further improve funds utilisation efficiency, the Board of Directors has agreed that the Company may use a portion of the temporarily idle proceeds to purchase high-security and high-liquidity cash management products and deposit the remaining proceeds in the form of agreement deposits, provided that such utilisation shall in no event impede the construction of projects financed by proceeds, and the utilisation plan of proceeds, and ensure the security of proceeds. The balance of cash management products shall not exceed RMB3 billion, and may be used on a rolling basis within 12 months from the date of approval by the Board of Directors. The term of each cash management product shall not exceed 12 months from the date of approval by the Board of Directors, and the term of agreement deposits shall not exceed 12 months from the approval date. During the Reporting Period, the Group conducted 9 principal-guaranteed fixed-income 7-day call deposit transactions and 10 principal-guaranteed floating-income structured deposit transactions, with a total cash management amount of RMB7.840 billion. The principal and earnings of all 7-day call deposit and a portion of structured deposits were redeemed during the Reporting Period. As at the end of the Reporting Period, the Group held 3 outstanding cash management products totalling RMB1.8 billion, and there was no outstanding principal or income.

Other Agreements and Matters

Except as disclosed in this Report, the Company did not enter into any contract in respect of the management or administration of its overall business or any material business or had any such contract subsisting, nor did it enter into any other material contract in relation to entrustment, subcontracting, leasing or guarantee during the Reporting Period. Furthermore, there was no such prior material contract subsisting during the Reporting Period.

During the Reporting Period, there was no material litigation or arbitration, matter widely questioned by the media, or bankruptcy and reorganisation in connection with the Company, nor was any share option incentive scheme implemented. In addition, there was no relevant matters carried forward from prior periods into the Reporting Period. As at the end of the Reporting Period, the Group was involved in several lawsuits and arbitrations, which would not significantly affect the Group's daily operations. As at the end of the Reporting Period, the major lawsuits and arbitrations that remained pending or had subsequent developments during the Reporting Period were as follows:

Unit: '000 Currency: RMB

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) forms any predicted liability and its amounts	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Xinqing Environmental Technology (Lianyungang) Co., Ltd. ("Xinqing Environmental")	Nanjing Wind Power	—	Litigation	Contract dispute	150,743.22 (Counterclaim for 52,426.93)	No	Concluded	The judgment of the first instance was given on 31 August 2023: (1) The remaining part of the contract between both parties shall be terminated; (2) After offsetting the payable amounts of both parties, Nanjing Wind Power shall pay RMB3,917,840 to Xinqing Environmental, Xinqing Environmental shall issue a bank quality guarantee, etc. On 5 November 2024, the second instance judgment was received, affirming the original judgment. The payment was judicially deducted and transferred to the counterparty in December 2024. On 13 November 2025, the court's enforcement ruling was received: The enforcement proceedings for this case were concluded, and the case was closed.	Enforcement concluded

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) forms any predicted liability and its amounts	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Environmental Company	Shi Junying, Shi Junhua, Zhengzhou Cida Environmental Technology Co., Ltd., Beijing Shuiqi Lande Technology Co., Ltd.	—	Arbitration	The promised performance was not achieved and the respondent was required to pay the performance compensation	344,334.07	No	Arbitration concluded, under enforcement	On 28 November 2025, the arbitration award was received: (1) The first, third, and fourth respondents shall transfer 19,534,720 shares of Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd to the applicant without compensation; (2) The four respondents shall jointly compensate the applicant for attorney fees of RMB850,000; (3) The arbitration fee for this case is set at RMB2,090,450, to be borne RMB1,045,220 by the applicant and RMB1,045,220 jointly by the four respondents; (4) The other claims raised by the applicant are dismissed.	Under enforcement
POWERCHINA Jiangxi Electric Power Construction Co., Ltd. ("Jiangxi Electric Power Construction")	Nanjing Wind Power	—	Litigation	Contract dispute	163,974.87 (Counterclaim for 91.32)	Yes, RMB62,136,000	Second instance concluded, under enforcement	The judgment of the first instance was given by the court in July 2025: Nanjing Wind Power shall pay a total of approximately RMB61,802,010 to Jiangxi Electric Power Construction for the loss compensation and cost of repairing the blades; Jiangxi Electric Power Construction shall pay the liquidated damage totalling approximately RMB91,320 to Nanjing Wind Power. On 12 December 2025, the second-instance judgment rendered by the Jiangxi Provincial High People's Court was received: the appeal filed by Nanjing Wind Power is dismissed, and the original judgment is upheld.	Under enforcement
Nanjing Wind Power	Jiangxi Electric Power Construction	—	Arbitration	Contract dispute	43,093.99	No	Arbitration concluded, under enforcement	Received an arbitral award on 25 September 2025: Jiangxi Electric Power Construction is to refund the first tranche of the performance bond in the amount of RMB20,600,000 and the second tranche of the performance bond in the amount of RMB20,600,000 to Nanjing Wind Power, along with corresponding interest for the use of the funds.	Under enforcement

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) forms any predicted liability and its amounts	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Beijing Shuiqi Lande Technology Co., Ltd., Shi Junying, Shi Junhua, Zhengzhou Cida Environmental Technology Co., Ltd.	Environmental Company	—	Arbitration	Disputes over equity transfer	129,727.20	No	Concluded	On 28 November 2025, the arbitration award was received: All arbitration claims raised by the applicant are dismissed.	No enforcement required
Financial Leasing Company	Xuchang Xurui Wind Power Generation Co., Ltd., Shenzhen Zhongzhuang New Energy Technology Co., Ltd., Henan Xuxin Wind Power Co., Ltd., Shenzhen Zhongzhuang Construction Group Co., Ltd., Shenzhen Zhongzhuang Municipal Landscape Engineering Co., Ltd.	—	Arbitration	Contract dispute	129,931.91	No	Arbitration concluded, under enforcement	On 24 January 2025, Financial Leasing Company received the arbitration award, requiring the respondent to pay the applicant the total amount of RMB121,520,150 for principal rent, overdue interest, attorney fees, and preservation guarantee fees.	Under enforcement
Nanjing Wind Power	Lianyungang Zhongfu Lianzhong Composites Group Co., Ltd.	—	Litigation	Contract dispute	124,923.50	No	In first instance	On 16 August 2024, Nanjing Wind Power requested the judgment that Lianyungang Zhongfu should bear the liability for breach of the sales contract, and pay liquidated damages and all losses totalling approximately RMB124,923,500.	In first instance
Nanjing Wind Power	Huai'an Zhongheng New Energy Co., Ltd.	—	Litigation	Contract dispute	106,000.22	No	In first instance	On 16 August 2024, Nanjing Wind Power requested the judgment that Huai'an Zhongheng should pay arrears, interests, etc. totalling approximately RMB106,000,220.	In first instance
Nanjing Wind Power	Shenzhen Zhongzhuang New Energy Technology Co., Ltd.	—	Litigation	Contract dispute	62,521.51	No	The first instance concluded, under enforcement	On 1 July 2025, the first instance judgment was as follows: (1) Zhongzhuang New Energy shall pay RMB59,200,360 for goods, plus the liquidated damage to Nanjing Wind Power; (2) Other appeal requests of the plaintiff Nanjing Wind Power were rejected.	Under enforcement
Infrastructure and Environmental Protection Company	Shenzhen Qiantai Energy Renewable Technology Co., Ltd	—	Litigation	Disputes over equity transfer	—	No	In first instance	On 26 September 2024, Infrastructure and Environmental Protection Company requested the judgment that Shenzhen Qiantai Energy Renewable Technology Co., Ltd. transfer 8.02% equity interests held by it in Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Co.,Ltd. without compensation, and handle the business registration change procedure for the above equity.	In first instance

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) forms any predicted liability and its amounts	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
CRCC China Southern Railway Construction Investment Co., Ltd.	Fund Company	—	Arbitration	Partnership agreement dispute	152,590.28	No	Case withdrawn	On 25 December 2025, the notice of withdrawal was received: The plaintiff withdrew its arbitration claims.	No enforcement required
Juye Changguang Wind Energy Co., Ltd.	Nanjing Wind Power and Environmental Company	—	Litigation	Contract dispute	91,767.76	No	In first instance	On 15 January 2025, Nanjing Wind Power received a civil complaint from Juye Changguang Wind Energy Co., Ltd. regarding losses suffered due to delayed delivery, demanding compensation for losses of RMB91,767,760, and requesting Environmental Company to bear joint liability.	In first instance
PowerChina Jiangxi Electric Power Engineering Co., Ltd.	Zhangshu Gaochuan and Nanjing Wind Power	—	Litigation	Contract dispute	16,098.6 (Counterclaim for 59,892.40)	No	On appeal	On 11 June 2025, the first instance judgment was as follows: Zhangshu Gaochuan shall pay a total of RMB13,421,610 to PowerChina Jiangxi Electric Power Engineering Co., Ltd. including the project fund, and appraisal fee, as well as the corresponding interest, and Nanjing Wind Power shall bear the joint and several liability for the above debts. On 24 June 2025, Nanjing Wind Power filed an appeal with the People's Court of Zhangshu City, Jiangxi Province.	In second instance
Huai'an Zhongheng New Energy Co., Ltd.	Nanjing Wind Power	—	Litigation	Contract dispute	124,244.83	No	In first instance	On 15 May 2025, Huai'an Zhongheng requested a judgment ordering Nanjing Wind Power to compensate for expense of repairing and replacing the wind turbine equipment and blades, inspection and maintenance costs and loss of power generation involved in the project, totalling RMB124,244,830.	In first instance
CCCC Second Harbor Engineering Co., Ltd.	Fund Company	—	Arbitration	Partnership agreement dispute	144,289.60	No	Case filed, tribunal pending formation	In July 2025, the Fund Company received the arbitration application filed by CCCC Second Harbor in relation to its withdrawal from the infrastructure fund and refund matters, demanding the termination of the Partnership Agreement, its withdrawal as a partner, and the refund of its investment principal and interest totalling RMB144,289,600.	Case filed Tribunal pending formation

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) forms any predicted liability and its amounts	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Guizhou Xinhe Lifu Real Estate Development Co., Ltd.	Guishen Company, Property Company	—	Arbitration	Contract dispute	162,886.74	No	In arbitration	On 13 August 2025, Guishen Company and Property Company received the arbitration application filed by Guizhou Xinhe Lifu with Shenzhen Court of International Arbitration. Guizhou Xinhe Lifu alleged that the content disclosed in the Transfer Announcement and Appraisal Report for the transfer by listing was untrue, and demanded that Guishen Company and Property Company return portion of the price and compensate for losses from fund occupation, among other claims, totalling approximately RMB162,886,740.	In arbitration
Huge Group (Shenzhen) Constructional Engineering Co., Ltd.	China Vanke Co., Ltd., Shenzhen International United Land Company Limited, Shenzhen Expressway Corporation Limited, Shenzhen Vanke Development Co., Ltd., Guangzhou Huangpu Wenchong Urban Village Retrofit Investment Co., Ltd.	—	Litigation	Contract dispute	42,880.05	No	Concluded	On 13 November 2025, the court ruling was received: The plaintiff's withdrawal of the lawsuit is granted.	No enforcement required
Nanjing Wind Power	China Sinogy Electric Engineering Co.,Ltd, Shanghai Electric Group Co., Ltd.,	—	Arbitration	Contract dispute	184,095.45	No	In arbitration	In September 2025, Nanjing Wind Power filed an arbitration application with the Shanghai Arbitration Commission, requesting: (1) The two respondents pay RMB175,329,000 for goods and RMB8,766,450 as liquidated damages; (2) Confirm that the applicant Nanjing Wind Power has a lien on the equipment stored by the first respondent, China Sinogy, in the storage yard, and has priority in receiving compensation from the auction or sale proceeds of the lien property within the scope of the aforementioned claims; (3) The two respondents bear the arbitration fees, preservation fees, preservation guarantee fees, and attorney fees for this case.	In arbitration

Commitments

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings made in Acquisition Report or Report on the Changes in Equity Interests	Other	Shenzhen International/ Shenzhen International (Shenzhen)	For details of the undertakings to avoid peer competition and regulate connected transactions, please refer to Detailed Report on the Changes in Equity Interests (《詳式權益變動報告書》) published on 18 October 2007 in the securities market of the PRC by undertaking parties or relevant contents in the Annual Report 2007 of the Company	October 2007	No	Yes
	Other	Shenzhen International	1. It will continue to fulfil the above undertaking made in October 2007 to avoid peer competition and regulate connected transactions. 2. Except with the approval of the Board of the Company and the written consent of the independent directors of the Company, Shenzhen International will not directly or indirectly engage in businesses that compete with the main businesses of the Company alone or together with any other person or company, except as agreed upon by both parties. For details, please refer to the Acquisition Report published by SIHCL dated 4 January 2011 on the securities market of the PRC and the Company's announcement dated 1 June 2011.	December 2010	No	Yes
	Other	SIHCL	To avoid peer competition, SIHCL has made the following undertakings: 1. It undertakes that it does not engage directly or indirectly in any business that constitutes or is likely to constitute substantial competition with the businesses operated by the Group, and is not involved in investment in any other enterprise that constitutes or is likely to constitute substantial competition with the products of or businesses operated by the Group. 2. Unless with the approval the Board of the Company and the written consent of the Independent Directors of the Company, SIHCL will not engage directly or indirectly in any business constituting peer competition with the Company's main businesses solely or together with any other person or company, unless otherwise agreed upon between both parties. For details, please refer to the Acquisition Report published by SIHCL dated 4 January 2011 on the securities market of the PRC and the Company's announcement dated 1 June 2011.	December 2010	No	Yes

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Letter of undertaking	Other	Shenzhen International	1. It will take the Company as the only platform for the final integration of the expressway business of Shenzhen International; 2. It will fulfil all undertakings to support the development of the Company.	June 2011	No	Yes
			3. For the expressway business assets owned by Shenzhen International, Shenzhen International undertakes to inject such assets into the Company in approximately 5-8 years when the relevant conditions are met, so as to promote the sustainable and stable development of the Company.		Yes	
Letter of undertaking	Other	SIHCL	1. It will take the Company the only platform for the final integration of the expressway business of SIHCL; 2. SIHCL will fulfil all undertakings to support the development of the Company.	May 2011	No	Yes
			3. For the expressway business assets owned by SIHCL, SIHCL undertakes to inject such assets into the Company in approximately 5-8 years when the profitability of such assets is improved and the relevant conditions are met, so as to eliminate peer competition between SIHCL and the Company, and promote the sustainable and stable development of the Company.		Yes	
Undertakings related to IPO	Avoidance of peer competition	XTC Company/SGH Company	The undertaking parties will not engage in any industry or business in any way which, directly or indirectly, competes with the Company in Shenzhen.	January 1997	No	Yes

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings related to refinancing Note	Other	Directors and senior management of Shenzhen International/the Company	The Special Self-inspection Report on the Real Estate Business of Shenzhen Expressway Corporation Limited in the Offering of A-shares to Specific Targets has truthfully disclosed the self-inspection on the Group's real estate development projects during the period from 1 January 2020 to 30 June 2024. Shenzhen International, the controlling shareholder of the Company, and the Directors and senior management of the Company have made the following undertaking: Shenzhen Expressway and the subsidiaries included in its consolidated financial statements are not subject to any administrative penalty or (with a case filed) investigation for any illegal or nonconforming act, such as land idling, land speculation, property hoarding and property price manipulation. If Shenzhen Expressway has any illegal or nonconforming act that is disclosed in Special Self-inspection Report on the Real Estate Business of Shenzhen Expressway Corporation Limited in the Offering of A-shares to Specific Targets (Third Amendment), such as land idling, land speculation, property hoarding or property price manipulation, causing any loss to Shenzhen Expressway or any investor, the undertakers will assume the corresponding liability for compensation in accordance with relevant laws, regulations and the securities regulator's requirements.	July 2023, January 2024 and August 2024	No	Yes
Undertakings related to refinancing Note	Other	Shenzhen International	The following commitments are made to ensure that the Company's immediate return make-up measures are implemented practically in this offering of A-shares to specific targets ("this offering"): 1. We promise not to interfere with Shenzhen Expressway's business management activities beyond our authorities; 2. We promise not to encroach on the interests of Shenzhen Expressway; 3. Before the completion of this offering, if the CSRC or the SSE promulgates other new regulatory provisions on return make-up measures, and related commitments, and the above commitments do not meet these provisions, we will make supplementary commitments in accordance with the latest provisions of the CSRC or the SSE; 4. We promise to implement the make-up measures for the diluted immediate return formulated by Shenzhen Expressway and any commitment on the return make-up measures for the diluted immediate return practically. If we break or refuse to fulfil the above commitments, and cause losses to Shenzhen Expressway or any other shareholder, we are willing to bear the corresponding liability according to law.	July 2023, January 2024 and August 2024	No	Yes

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings related to refinancing	Other	XTC Company	The share subscription agreement with conditions precedent entered into between XTC and the Company specifies that: The target shares acquired by XTC and offered this time shall not be transferred within 18 months from the end of this offering, and the regulations of the CSRC and the SSE shall apply thereafter. If there are other provisions in the relevant regulations and normative documents regarding the trading restriction period of offering shares to specific targets, such provisions will apply. From the date of completion of this offering to the date of the lifting of restrictions on such shares, the newly added shares in the Company under the target stock subscribed for by XTC in this offering arising from the Company's bonus shares, capital reserve conversion into the share capital, etc. should also comply with the above lock-up arrangements. XTC promises as follows: It confirms that it had not reduced its shareholding in Shenzhen Expressway either directly or indirectly in the six months prior to the pricing base date of this issuance, and promises not to reduce its shareholding in Shenzhen Expressway either directly or indirectly in any way from the pricing base date of this offering to 18 months after the completion of this offering. If a reduction in shareholding occurs in violation of the above commitment, all proceeds arising from such reduction will be vested in Shenzhen Expressway, and it will also bear the legal liability arising therefrom according to law.	July 2023	Yes	Yes
			XTC Company makes the following commitments regarding subscription of shares in this offering: XTC Company will subscribe for not less than 10% of the shares actually issued by Shenzhen Expressway under this offering for an amount of not more than RMB1.510 billion. After this offering, Shenzhen International will hold not less than 45.00% of the shares of Shenzhen Expressway indirectly in aggregate, and the subscription price will be paid by XTC Company in cash.	July 2024	Yes	Yes
Undertakings related to refinancing [Note]	Other	SGH Company/Advance Great Company	SGH Company and Advance Great Company make a further share lock-up commitment regarding this offering: It confirms that it had not reduced its shareholding in Shenzhen Expressway either directly or indirectly in the six months prior to the pricing base date of this offering, and promises not to reduce its shareholding in Shenzhen Expressway either directly or indirectly in any way from the pricing base date of this offering to 18 months after the completion of this offering. If a reduction in shareholding occurs in violation of the above commitment, all proceeds arising from such reduction will be vested in Shenzhen Expressway, and it will also bear the legal liability arising therefrom according to law.	July 2024	Yes	Yes

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings related to refinancing [Note]	Other	Directors and senior management of the Company	The following commitments are made to ensure the effective implementation of the immediate return make-up measures of this offering: 1. We promise not to transfer interests to any other organisation or individual without compensation or under unfair conditions, and not to harm the Company's interests in any other way; 2. We promise to restrain our own position-related consumption behaviour; 3. We promise not to use the Company's assets to engage in any investment or consumption activity unrelated to the performance of our duties; 4. We promise to support the linkup of the remuneration system formulated by the Board or the Remuneration Committee with the implementation of the Company's make-up measures for the diluted immediate return; 5. If the Company implements an equity incentive plan in the future, we promise to support the linkup of the exercise conditions of the proposed corporate equity incentive plan with the implementation of the Company's make-up measures for the diluted immediate return; 6. Before the completion of this offering, if the CSRC or the SSE promulgates other new regulatory provisions on return make-up measures and related commitments, and the above commitments do not meet these provisions, we will make supplementary commitments in accordance with the latest provisions of the CSRC or the SSE; 7. We promise to implement the make-up measures for the diluted immediate return formulated by the Company and any commitment on the return make-up measures for the diluted immediate return practically. If we break or refuse to fulfil the above commitments, and cause losses to the Company or the shareholders, we are willing to bear the corresponding liability according to law.	July 2023, January 2024 and August 2024	No	Yes

Note: On 14 July 2023, with the approval of the 32nd meeting of the 9th session of the Board, the Company planned to issue A-shares to eligible specific targets. Shenzhen International, the controlling shareholder of the Company, and the Directors and senior management of the Company made written commitments on the relevant matters according to the requirements of the General Office of the State Council and the CSRC. On 25 January and 30 August 2024, as approved by the Board respectively, the Company adjusted the total amount and use of the proceeds from this issuance, and revised the plan and the related documents accordingly. Shenzhen International, the controlling shareholder of the Company, and the Directors and senior management of the Company made written commitments on the relevant matters.

Appointment of Auditor for the Year

Details of the appointment and remuneration of the auditor for the year (including audit of financial reports and internal control) are set out in "Corporate Governance Report" in this annual report.

Review of Results

The Audit Committee of the Company has reviewed and confirmed the financial statements and the annual report for the twelve months ended 31 December 2025. For details, please refer to "Corporate Governance Report" in this annual report.

Sufficient Public Shareholdings

As at the date of this report, based on the directors' knowledge and the information disclosed to the Company, the Company maintained sufficient public shareholdings that were 25% more than the Company's issued shares as required by the Listing Rules.

Compliance with Laws and Regulations

The Group's business activities are mainly carried out by the Company and its subsidiaries in the PRC. Our operations are subject to the relevant laws and regulations in the PRC. During the Reporting Period, the Group did not breach the relevant laws and regulations that have a significant impact on the Group.

Names of Directors

As at the date of this report, the members of the Board included: Xu En Li (Executive Director and Chairman), Mr. Liao Xiang Wen (Executive Director and President), Mr. Yao Hai (Executive Director), Ms. Jin Zhen Yuan (Executive Director), Mr. Hou Sheng Hai (Non-executive Director), Mr. Chen Yun Jiang (Non-executive Director), Ms. Wu Yan Ling (Non-executive Director), Ms. Zhang Jian (Non-executive Director), Mr. Li Fei Long (Independent Director), Mr. Miao Jun (Independent Director), Mr. Xu Hua Xiang (Independent Director), and Mr. Yan Yan (Independent Director).

By Order of the Board
Xu En Li
Chairman

Shenzhen, the PRC, 25 March 2026

Share Capital and Shareholders

I. Profile of Movements of Share Capital

(I) Profile of Movements of Shares

1. Table on changes in shares

Unit: Share(s)

	Before the change		The increase or decrease on the change (+, -)					After the change	
	Number of shares	Proportion (%)	Issue of new shares	Bonus shares	Share conversion from reserve	Others	Sub-total	Number of shares	Proportion (%)
I. Restricted shares	0	0.00	75,930,144	0	0	0	75,930,144	75,930,144	2.99
1. State-owned shares	0	0.00	0	0	0	0	0	0	0.00
2. State-owned legal person shares	0	0.00	75,930,144	0	0	0	75,930,144	75,930,144	2.99
3. Other domestic shares	0	0.00	0	0	0	0	0	0	0.00
Of which: domestic non-state-owned legal persons shares	0	0.00	0	0	0	0	0	0	0.00
domestic natural persons shares	0	0.00	0	0	0	0	0	0	0.00
II. Non-restricted circulating shares	2,180,770,326	100	281,155,657	0	0	0	281,155,657	2,461,925,983	97.01
1. RMB ordinary shares	1,433,270,326	65.72	281,155,657	0	0	0	281,155,657	1,714,425,983	67.56
2. Foreign shares listed in the PRC	0	0.00	0	0	0	0	0	0	0.00
3. Overseas-listed foreign shares	747,500,000	34.28	0	0	0	0	0	747,500,000	29.45
4. Others	0	0.00	0	0	0	0	0	0	0.00
III. Total number of shares	2,180,770,326	100	357,085,801	0	0	0	357,085,801	2,537,856,127	100

2. Explanations on changes in shares

Pursuant to the "Approval regarding the Registration of Issuance of Shares to Specific Targets by Shenzhen Expressway Corporation Limited"《關於同意深圳高速公路集團股份有限公司向特定對象發行股票註冊的批覆》(CSRC License [2024] No. 1748), the Company completed the issuance of A-shares to specific targets (the "Issuance") in March 2025. A total of 357,085,801 A shares were additionally issued, and these new shares were listed on the SSE on 27 March 2025.

After the completion of the Issuance, the Company's total share capital increased from 2,180,770,326 shares to 2,537,856,127 shares, of which 1,790,356,127 A shares account for approximately 70.55% of the Company's total share capital; and 747,500,000 H shares account for approximately 29.45% of the Company's total share capital.

3. Impact of Changes in Shares on Financial Indicators such as Earnings Per Share (EPS) and Net Assets Per Share for the Most Recent Year and the Most Recent Period

Prior to the changes in shares of the Issuance, EPS calculated based on the original share capital was RMB0.48 and net assets attributable to ordinary equity holders of the Company per share was RMB10.56. Following the changes in shares, EPS calculated based on the new share capital is RMB0.43, and net assets attributable to ordinary equity holders of the Company per share is RMB9.08.

(II) Changes in Restricted Shares

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released during the Reporting Period	Number of restricted shares increased during the Reporting Period	Number of restricted shares at the end of the Reporting Period	Reason for selling restriction	Lock-up expiry date
Xin Tong Chan Development (Shenzhen) Company Limited[1]	0	0	75,930,144	75,930,144	A-shares issued to specific targets with restricted shares	27 September 2026
Jiangsu Yunshan Capital Management Co., Ltd.[1]	0	242,976,461	242,976,461	0	A-shares issued to specific targets with restricted shares	27 September 2025
Anhui Expressway Company Limited[1]	0	38,179,196	38,179,196	0	A-shares issued to specific targets with restricted shares	27 September 2025
Total	0	281,155,657	357,085,801	75,930,144	/	/

Note:

(1) The Company completed the Issuance of A-shares to specific targets in March 2025. A total of 357,085,801 A-shares were issued in this Issuance, of which XTC Company, Yunshan Capital, and Anhui Expressway subscribed for 75,930,144 shares, 242,976,461 shares, and 38,179,196 shares, respectively. These newly issued shares are restricted circulating shares. The shares subscribed by XTC Company in this Issuance shall not be transferred within 18 months from the completion date of the Issuance, and the shares subscribed by Yunshan Capital and Anhui Expressway in this Issuance shall not be transferred within 6 months from the completion date of the Issuance. Should the expiry date of the lock-up period fall on a public holiday or non-trading day, the restriction shall be extended to the first subsequent trading day. Pursuant to relevant regulations, the aggregate 281,155,657 shares subscribed by Yunshan Capital and Anhui Expressway in this Issuance were released from restrictions and listed for trading on 29 September 2025, while the shares subscribed by XTC Company in this Issuance remain subject to the lock-up restriction. For further details, please refer to the Company's announcement dated 24 September 2025.

II. Issuing and Listing of the Securities

(I) Issuing of the Securities as of the Reporting Period

1. For details of the issuance and listing of the Company's shares or their derivative securities during the Reporting Period, please refer to part I of this section.

   Based on the publicly available information known to the Directors, the Board believes that the Company has maintained a sufficient public float as at the date of this report.

   As at the end of the Reporting Period, the circulating market capitalisation of the A Shares of the Company (circulating A Share capital × closing price of A Shares (RMB8.80)) was approximately RMB15.087 billion and the circulating market capitalization of H Shares (circulating H Share capital × closing price of H Shares (HK$7.11)) was approximately HK$5.315 billion.

2. The Company issued overseas debenture of US$300 million at fixed interest rate with a maturity of 5 years in July 2021 publicly. The bond abbreviation is "SZEXPB2607" and bond code is "40752", which has been listed on HKEx since 8 July 2021.

3. The Company has completed the issuance of phase I of the 2021 publicly issued corporate bonds of RMB1 billion with a term of 5 years on 27 July 2021. The bond abbreviation is "21 Shenzhen Expressway 01" and the bond code is "188451", which has been listed on SSE.

4. The Company has completed the issuance of phase I of the 2022 publicly issued corporate bonds of RMB1.5 billion with a term of 5 years on 19 January 2022. The bond abbreviation is "22 Shenzhen Expressway 01" and bond code is "185300", which has been listed on SSE.

5. The Company has completed the issuance of phase I of the 2023 publicly issued green corporate bonds of RMB0.55 billion with a term of 3 years on 18 October 2023. The bond abbreviation is "G23 Shenzhen Expressway 1" and bond code is "240067", which has been listed on SSE.

6. The Company has completed the issuance of RMB1.5 billion of the 2024 publicly issued corporate bonds (phase I) on 27 May 2024. The first type of bonds in this tranche is abbreviated as "24 Shenzhen Expressway 01" with the bond code "241018", having an issue size of RMB0.55 billion and a term of 3 years; the second type of bonds in this tranche is abbreviated as "24 Shenzhen Expressway 02" with the bond code "241019", having an issue size of RMB0.95 billion and a term of 10 years, both of which have been listed on SSE.

7. The Company has completed the issuance of phase II of the 2024 publicly issued corporate bonds of RMB1 billion with a term of 5 years on 2 December 2024. The bond abbreviation is "24 Shenzhen Expressway 03" and bond code is "242050", which has been listed on SSE.

8. The Company has completed the issuance of phase I of the 2025 publicly issued corporate bonds of RMB2.3 billion with a term of 5 years on 12 March 2025. The bond abbreviation is "25 Shenzhen Expressway 01" and bond code is "242539", which has been listed on SSE.

9. The Company has completed the issuance of RMB2.0 billion of the 2025 publicly issued perpetual corporate bonds (phase I) on 16 April 2025. The first type of bonds in this tranche is abbreviated as "25 Shenzhen Expressway Y1" with the bond code "242780", having an issue size of RMB1.0 billion and a term of 3 years; the second type of bonds in this tranche is abbreviated as "25 Shenzhen Expressway Y2" with the bond code "242781", having an issue size of RMB1.0 billion and a term of 5 years, both of which have been listed on SSE.

10. The Company has completed the issuance of RMB2.0 billion of the 2025 publicly issued perpetual corporate bonds (phase II) on 13 May 2025. The first type of bonds in this tranche is abbreviated as "25 Shenzhen Expressway Y3" with the bond code "242972", having an issue size of RMB1.0 billion and a term of 3 years; the second type of bonds in this tranche is abbreviated as "25 Shenzhen Expressway Y4" with the bond code "242973", having an issue size of RMB1.0 billion and a term of 5 years, both of which have been listed on SSE.

(II) Changes in the Company's Total Number of Shares and Shareholding Structure, and Changes in Assets and Liabilities Structure

After the Company completed the private placement of A-shares to specific targets in March 2025, the total share capital of the Company increased from 2,180,770,326 shares to 2,537,856,127 shares, and there was no change in the controlling shareholder and de-facto controller of the Company.

At the beginning of the Reporting Period, the total assets of the Company were approximately RMB67.558 billion, the total liabilities were approximately RMB40.356 billion, and the asset-liability ratio was 59.74%; at the end of the Reporting Period, the total assets of the Company were approximately RMB71.289 billion, the total liabilities were approximately RMB39.237 billion, and the asset-liability ratio was 55.04%. The Company's total assets increased, asset-liability ratio decreased, and asset structure was effectively improved.

III. Information of Share Capital and the De-facto Controller

(I) Total Number of Shareholders

As at the end of the Reporting Period, based on the shareholders' registers provided by the share registrars and the transfer offices of the Company in the PRC and Hong Kong, the information of the total number of shareholders, the top ten shareholders and the top ten holders of non-restricted circulating shares of the Company were as follows:

Total number of shareholders as at the end of the Reporting Period	23,679
Total number of shareholders as at the end of the last month prior to the Reporting Date	24,590

Note:

(1) The Company had 23,450 holders of A Shares and 229 holders of H Shares as at the end of the Reporting Period.

(2) The Company had 24,365 holders of A Shares and 225 holders of H Shares as at the end of the last month prior to the Reporting Date.

(II) Information of the Top Ten Shareholders and the Top Ten Holders of Non-restricted Circulating Shares of the Company as at the end of the Reporting Period

The top ten shareholders							
Name of shareholder	Changes during the Reporting Period	Number of shares held	Percentage (%)	Number of restricted circulating shares held	Number of shares pledged or frozen: State of shares	Number of shares pledged or frozen: Number	Nature of shareholders
Xin Tong Chan Development (Shenzhen) Company Limited[2]	+75,930,144	730,710,144	28.79	75,930,144	None	0	State-owned legal person
HKSCC NOMINEES LIMITED[1]	+568,000	730,547,242	28.79	–	Unknown	–	Overseas legal person
Shenzhen Shen Guang Hui Highway Development Company Limited[2]	–	411,459,887	16.21	–	None	0	State-owned legal person
Jiangsu Yunshan Capital Management Co., Ltd.[3]	+242,976,461	242,976,461	9.57	–	Pledged	121,000,000	State-owned legal person
China Merchants Expressway Network & Technology Holdings Company Limited[4]	–	91,092,743	3.59	–	None	0	State-owned legal person
Anhui Expressway Company Limited	+38,179,196	38,179,196	1.50	–	None	0	State-owned legal person
Guangdong Roads and Bridges Construction Development Company Limited	-24,006,028	37,942,762	1.50	–	None	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	+6,428,488	14,801,615	0.58	–	Unknown	–	Other
AU SIU KWOK	–	11,000,000	0.43	–	Unknown	–	Overseas natural person
Zhang Ping Ying	+3,073,600	10,812,165	0.43	–	Unknown	–	Domestic natural person

The top ten holders of non-restricted circulating shares		
Name of shareholder	Number of non-restricted circulating shares held	Type of shares
HKSCC NOMINEES LIMITED[1]	730,547,242	H Share
Xin Tong Chan Development (Shenzhen) Company Limited	654,780,000	A Share
Shenzhen Shen Guang Hui Highway Development Company Limited	411,459,887	A Share
Jiangsu Yunshan Capital Management Co., Ltd.	242,976,461	A Share
China Merchants Expressway Network & Technology Holdings Company Limited	91,092,743	A Share
Anhui Expressway Company Limited	38,179,196	A Share
Guangdong Roads and Bridges Construction Development Company Limited	37,942,762	A Share
Hong Kong Securities Clearing Company Limited	14,801,615	A Share
AU SIU KWOK	11,000,000	H Share
Zhang Ping Ying	10,812,165	A Share
Connected relationship or concerted action relationship among the abovementioned shareholders	XTC Company and SGH Company are connected persons under the same control of Shenzhen International. According to public information, CMET holds more than 20% of the shares in Anhui Expressway, and one of its incumbent directors also serves as a director of Anhui Expressway, indicating a connected relationship between these two shareholders. In addition to the above associations, the Company is not aware of any connected relationship between the abovementioned shareholders and other shareholders, or among other shareholders set out in the table.	

Note:

(1) The H shares held by HKSCC NOMINEES LIMITED were held on behalf of various clients.

(2) In July 2024, XTC Company, SGH Company, and Advance Great Limited, a wholly-owned subsidiary of Shenzhen International, made a share lock-up undertaking regarding the Company's current Issuance: they will not directly or indirectly reduce their shareholding in the Company in any way from the pricing benchmark date of the Company's Issuance until 18 months after the completion of the Issuance. If the above commitment is violated and a reduction in shareholding occurs, all proceeds from such reduction shall belong to the Company, and XTC Company, SGH Company, and Advance Great Limited shall bear the legal liabilities arising therefrom in accordance with the law.

(3) According to the written notice from Yunshan Capital to the Company, as of 31 December 2025, Yunshan Capital held 242,976,461 A-shares of the Company and held 87,964,000 H-shares of the Company through HKSCC NOMINEES LIMITED, resulting in an aggregate holding of 330,940,461 shares, representing 13.04% of the Company's total issued share capital.

(4) According to the written notice from CMET to the Company, as of 31 December 2025, CMET held 91,092,743 A-shares of the Company. CMET and its wholly-owned subsidiary collectively held 152,484,000 H-shares through HKSCC NOMINEES LIMITED, resulting in an aggregate holding of 243,576,743 shares, representing 9.60% of the Company's total issued share capital.

(III) Number of shares held by the top ten restricted shareholders and the lock-up conditions

			Tradable status of restricted shares		
No.	Name of restricted shareholder	Number of restricted shares held	Tradable date	Additional number of approved tradable shares	Lock-up conditions
1	Xin Tong Chan Development (Shenzhen) Company Limited	75,930,144	27 September 2026	0	Subscribe for additional A shares, with a lock-up period of 18 months.
Connected relationship or concerted action relationship among the abovementioned shareholders		N/A			

(IV) Strategic investors or corporate entities becoming top ten shareholders of the Company via new shares placement

Name of strategic investors or corporate entities	Agreed commencement date of shareholding	Agreed termination date of shareholding
Jiangsu Yunshan Capital Management Co., Ltd.	27 March 2025	–
Anhui Expressway Company Limited	27 March 2025	–
Explanation on agreed shareholding period of strategic investors or corporate entities participating in placing of new shares	In March 2025, Yunshan Capital and Anhui Expressway became top ten shareholders due to their participation in the subscription of the Company's A-shares issued to specific targets.	

(V) Disclosure of interests of shareholders pursuant to the listing rules of HKEx

As at 31 December 2025, as recorded in the register required to be maintained by the Company under Section 336 of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the interests or short positions of all persons (including but not limited to those holding or deemed to hold 5% or more of any class of shares of the Company, excluding the Company's directors, supervisors or chief executives), in the shares and underlying shares of the Company were as follows:

Share Capital and Shareholders

A Shares:

Name of shareholder	Capacity	Number of A Shares of the Company held	Percentage of total issued A Share capital
SIHC(2)	Interest of corporation controlled	1,142,170,031(L)	63.79%(L)
Ultrarich International Limited(2)	Interest of corporation controlled	1,142,170,031(L)	63.79%(L)
Shenzhen International(3)	Interest of corporation controlled	1,142,170,031(L)	63.79%(L)
XTC Company(3)	Beneficial owner	730,710,144(L)	40.81%(L)
SGH Company(3)	Beneficial owner	411,459,887(L)	22.98%(L)
Jiangsu Communications Holding Co., Ltd.(4)	Interest of corporation controlled	242,976,461	13.57%(L)
Yunshan Capital(5)	Beneficial owner	242,976,461	13.57%(L)

H Shares:

Name of shareholder	Capacity	Number of H Shares of the Company held	Percentage of total issued H Share capital
SIHC(2)	Interest of corporation controlled	52,612,000(L)	7.03%(L)
Shenzhen International(3)	Interest of corporation controlled	52,612,000(L)	7.03%(L)
Jiangsu Communications Holding Co., Ltd.(4)	Interest of corporation controlled	82,226,000(L)	11.00%(L)
Yunshan Capital(5)	Beneficial owner	82,226,000(L)	11.00%(L)
CMET(6)	Beneficial owner	95,254,000(L)	20.04%(L)
	Interest of corporation controlled	54,556,000(L)	

Note: (L) – long positions, (S) – short positions, (P) – lending pool. Please refer to Securities and Futures Ordinance for relevant definitions.

Notes:

(1) All the A Shares of the Company are listed on SSE, and all the H Shares of the Company are listed on the main board of HKEx.

(2) SIHC holds 43.338% of Shenzhen International's shares, respectively, as beneficial owner and through its wholly-owned subsidiary Ultrarich International Limited. Therefore, pursuant to Securities and Futures Ordinance, SIHC and Ultrarich International Limited was deemed to be interested in shares of the Company owned by Shenzhen International.

(3) According to a written notice provided by Shenzhen International to the Company, as at 31 December 2025, Shenzhen International's wholly-owned subsidiary XTC Company directly held 730,710,144 A shares of the Company as beneficial owner; and its wholly-owned subsidiary SGH Company directly held 411,459,887 A shares of the Company as beneficial owner; its wholly-owned subsidiary Advance Great Limited actually held 58,194,000 H shares of the Company, representing 7.785% of the Company's issued H share capital.

(4) Jiangsu Communications Holding Co., Ltd. ("JCHC") holds 100% of Yunshan Capital's shares. Therefore, pursuant to Securities and Futures Ordinance, JCHC was deemed to be interested in shares of the Company owned by Yunshan Capital.

(5) According to the written notice provided by Yunshan Capital to the Company, as at 31 December 2025, Yunshan Capital directly held 242,976,461 A Shares of the Company as beneficial owner; through the Hong Kong Stock Connect, Yunshan Capital held 87,964,000 H Shares of the Company as beneficial owner, representing 11.768% of the Company's issued H Share capital.

(6) According to a written notice provided by CMET to the Company, as at 31 December 2025, CMET directly held 91,092,743 A Shares of the Company as beneficial owner; through the Hong Kong Stock Connect, CMET held 97,928,000 H Shares of the Company as beneficial owner, and through its wholly-owned subsidiary, Cornerstone Holdings Limited, it held 54,556,000 H Shares of the Company, representing 20.399% of the Company's issued H share capital.

Save as disclosed above, to the knowledge of the Company, as at 31 December 2025, there were no other persons required to be disclosed under Section 336 of Part XV of Securities and Futures Ordinance of Hong Kong.

IV. Information of the Controlling Shareholder and the De-facto Controller

(I) Information of the Controlling Shareholder

1. XTC Company, holding 28.792% shares of the Company, is the largest beneficial shareholder of the Company:

Name of shareholder	Legal representative	Date of establishment	Registered capital	Major operating management activities
Xin Tong Chan Development (Shenzhen) Company Limited	Ge Fei	8 September 1993	RMB200,000,000	Transportation information consulting, development of specialized software for transport platform, and investment in various industrial projects (specific project shall be applied separately). Warehousing (limited to branch operations).

2. SGH Company is a corporate shareholder beneficially holding 16.21% shares of the Company (please refer to "Other Legal Person Shareholders Holding More Than 10% of the Company's Shares" in V below for details), and Advance Great Limited is a corporate shareholder beneficially holding 2.293% shares of the Company.

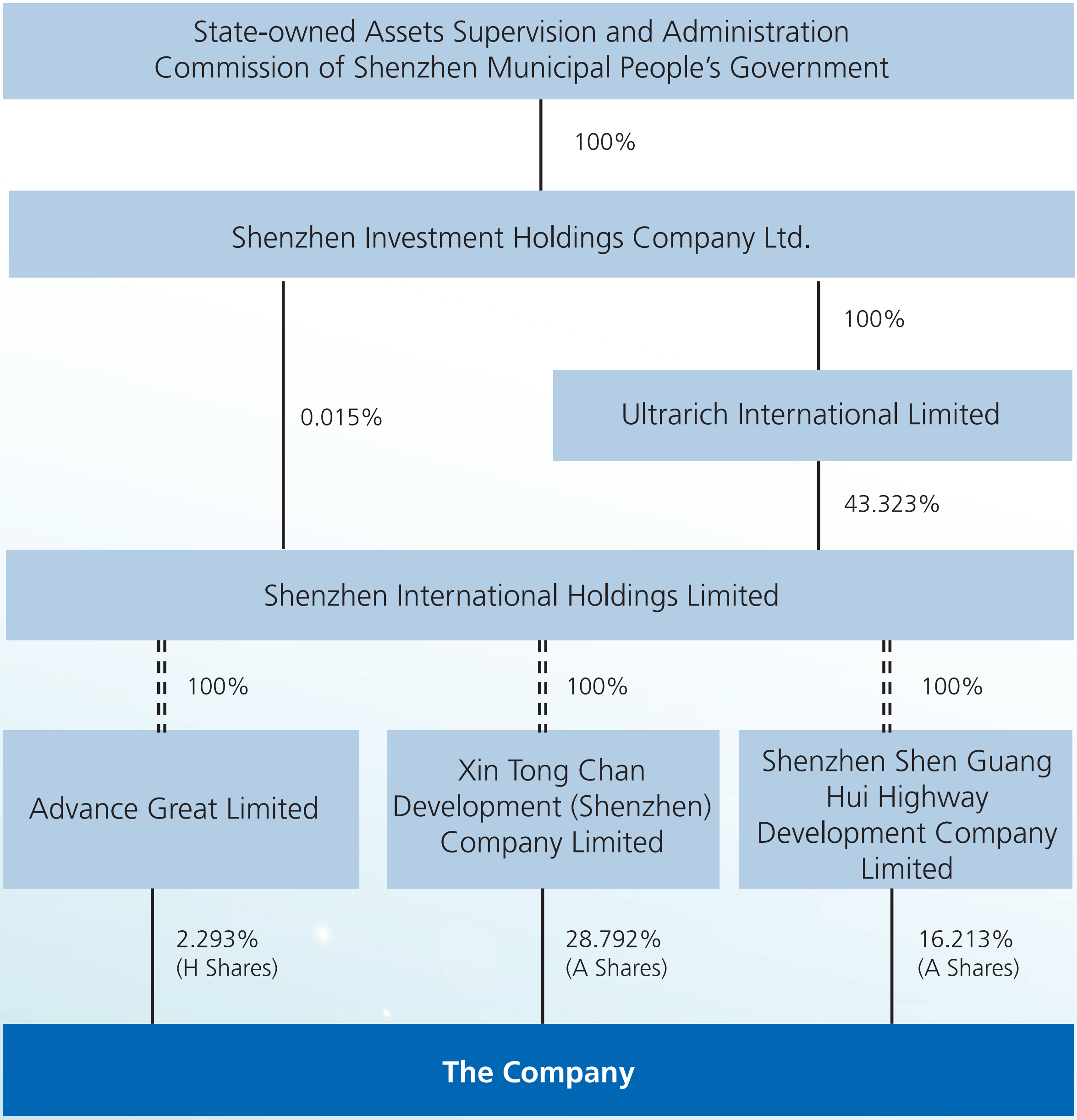
3. As at the end of the Reporting Period, Shenzhen International indirectly held a total of 47.298% shares of the Company by its wholly-owned subsidiaries XTC Company, SGH Company and Advance Great Limited. For details, please refer to the following "chart of ownership and relation of control between the Company and the de-facto controller".

Name	Shenzhen International Holdings Limited
Person in charge or legal representative	Li Hai Tao (Chairman of the Board)
Date of establishment	22 November 1989
Registered capital	HK$2,443,735,570 (issued share capital)
Major operating management activities	Shenzhen International is principally engaged in investment holding. Shenzhen International and its subsidiaries are primarily involved in the investment, construction, and operation of logistics infrastructure in the four major areas (Inland Port, Urban Integrated Logistics Parks, Airport Cargo Terminals and Railway hub cargo stations) and toll highways. Leveraging its infrastructure and information service platform, it provides value-added logistics services including intelligent warehousing and integrated cold chain warehousing and distribution to customers. The business scope extends to comprehensive land development related to industries such as "logistics + commerce," as well as investment and operation in the general-environmental protection industry and other niche markets.
Other domestic and overseas listed company controlled or participated during the Reporting Period	Holds 8.76% of the shares in Air China Cargo Co., Ltd. (listed on the SZSE, stock code: 001391).
Other Information	Shenzhen International is listed on the main board of HKEx (Stock Code: 00152). For details and the latest information of Shenzhen International, please refer to the information disclosed on the websites of HKEx and Shenzhen International.

(II) Information of the De-facto Controller

The actual controller of the Company is Shenzhen SASAC.

The chart of ownership and relation of control between the Company and the de-facto controller:



V. Other Legal Person Shareholders Holding More Than 10% of the Company's Shares

As at the end of the Reporting Period, other legal person shareholders that beneficially holding more than 10% shares of the Company included:

Name of Shareholder	Legal representative	Date of establishment	Registered capital	Major operating management activities
Shenzhen Shen Guang Hui Highway Development Company Limited	Du Peng	June 1993	RMB105,600,000	Road and bridge construction and investment business, materials supply and marketing
Jiangsu Yunshan Capital Management Co., LTD.	He Huawei	July 2015	RMB13,700,000,000	Equity investment and management, industrial investment and asset management, investment in securities and their derivatives, entrusted asset management, etc.
Description	Based on the shareholders' registers provided by the share registrars and the transfer offices of the Company in Hong Kong and the PRC, as at the end of the Reporting Period, apart from XTC Company, SGH Company and Yunshan Capital disclosed in this section, the Company has not found any other single shareholder beneficially holding issued shares of the Company reaching 10% or more of the total share capital.			

Directors, Senior Management and Employees

I. General Information, Change in Shareholding and Remuneration

1. General Information of Directors, and Senior Management in Office and whom had Left Office during the Reporting Period

1.1 General Information of Directors Currently in Office

Name	Position	Gender	Age	Commencement of the term of office of this session[12]	End of the term of office of this session[1]
XU En Li	Chairman of the Board [2] [3]	Male	50	Jan 2025	Expiry date of the ninth session of the Board
LIAO Xiang Wen	Executive Director	Male	57	Nov 2016	Expiry date of the ninth session of the Board
YAO Hai	Executive Director	Male	52	Feb 2024	Expiry date of the ninth session of the Board
JIN Zhen Yuan	Executive Director[10]	Female	54	Dec 2025	Expiry date of the ninth session of the Board
HOU Sheng Hai	Non-executive Director[10]	Male	52	Dec 2025	Expiry date of the ninth session of the Board
CHEN Yun Jiang	Non-executive Director[6]	Male	52	Jun 2025	Expiry date of the ninth session of the Board
WU Yan Ling	Non-executive Director[2]	Female	49	Jan 2025	Expiry date of the ninth session of the Board
ZHANG Jian	Non-executive Director[2]	Female	51	Jan 2025	Expiry date of the ninth session of the Board
LI Fei Long	Independent Director	Male	61	Jan 2021	Expiry date of the ninth session of the Board
MIAO Jun	Independent Director	Male	68	May 2021	Expiry date of the ninth session of the Board
XU Hua Xiang	Independent Director	Male	49	May 2021	Expiry date of the ninth session of the Board
YAN Yan	Independent Director	Male	53	Feb 2024	Expiry date of the ninth session of the Board

1.2 General Information of Senior Management Currently in Office

Name	Position	Gender	Age	Commencement of the term of office of this session[12]	End of the term of office of this session[1]
LIAO Xiang Wen	President	Male	57	Sep 2018	Expiry date of the ninth session of the Board
JIN Zhen Yuan	Financial Controller[9]	Female	54	Nov 2025	Expiry date of the ninth session of the Board
HUANG Bi Nan	Vice President	Female	54	Sep 2015	Expiry date of the ninth session of the Board
WANG Shao Liang	Vice President	Male	52	Jul 2024	Expiry date of the ninth session of the Board
WEN De Liang	Vice President	Male	43	Dec 2021	Expiry date of the ninth session of the Board
DU Meng	Vice President	Male	51	Dec 2021	Expiry date of the ninth session of the Board
ZHAO Gui Ping	Chief Financial Officer/ Secretary of the Board	Female	52	Sep 2018/ Mar 2022	Expiry date of the ninth session of the Board
CHEN Shou Yi	Chief Engineer	Male	54	Sep 2018	Expiry date of the ninth session of the Board

1.3 General Information of Directors, Supervisors, and Senior management who had Left Office during the Reporting Period

Name	Position (Before leaving office)	Gender	Age	Commencement of the term of office of this session[12]	Leaving date[13]
LI Xiao Yan	Non-executive Director[4]	Female	47	Jan 2021	Jan 2025
DAI Jing Ming	Non-executive Director[5]	Male	61	Jan 2021	Jan 2025
LAM Yuen Ling Eva	Joint Company Secretary[7]	Female	59	Aug 2019	Aug 2025
WEN Liang	Financial Controller/ Executive Director[8]	Male	52	Sep 2018 Mar 2019	Nov 2025
LIN Ji Tong	Chairman of the Supervisory Committee[11]	Male	56	Jun 2020	Dec 2025
WANG Chao	Supervisor[11]	Male	53	Jan 2021	Dec 2025
YE Hui Hui	Supervisor[11]	Female	49	Jan 2021	Dec 2025

(1) The term of office of the members of the ninth session of the Board of the Company expired on 31 December 2023. As the nomination of candidates for the new Board has not been completed, the term-end election of the new Board will be postponed, and the term of office of the specialised committees of the Board and the senior management will also be extended accordingly. For details, please refer to the announcement of the Company dated 27 December 2023.

(2) At the First Extraordinary General Meeting of 2025 held by the Company on 9 January 2025, Mr. Xu En Li was appointed as an Executive Director of the ninth session of the Board of Directors, and Ms. Wu Yan Ling and Ms. Zhang Jian were appointed as Non-executive Directors of the ninth session of the Board of Directors. The terms of office for the newly appointed Executive Director and Non-executive Directors all commenced on 9 January 2025, and will end upon the term of the ninth session of Board of Directors expires.

(3) At the 50th meeting of the ninth session of the Board of Directors held on 9 January 2025, Mr. Xu En Li was elected Chairman of the ninth session of the Board of Directors of the Company.

(4) The Board of the Company received a written resignation report submitted by former Non-executive Director Ms. Li Xiao Yan on 9 January 2025, who resigned as a director of the Company due to change of personal career, and her resignation took effect immediately.

(5) The Board of the Company received a written resignation report submitted by former Non-executive Director Mr. Dai Jing Ming on 23 January 2025, who resigned as a director of the Company due to retirement, and his resignation took effect immediately.

(6) At the 2024 Annual General Meeting of Shareholders held on 30 June 2025, Mr. Chen Yun Jiang was appointed as a director of the ninth session of Board of Directors of the Company. His term of office commences on 30 June 2025 and will end upon the term of the ninth session of Board of Directors expires.

(7) The Board of the Company received a written resignation report submitted by Joint Company Secretary Ms. Lam Yuen Ling Eva on 22 August 2025. Ms. Lam resigned as Joint Company Secretary due to personal business reasons, and her resignation took effect immediately.

(8) The Company received a written resignation report submitted by former Executive Director Mr. Wen Liang on 21 November 2025. Mr. Wen resigned as Director and Financial Controller of the Company due to change of personal career, and his resignation took effect immediately.

(9) At the 58th meeting of the ninth session of the Board of Directors held on 24 November 2025, Ms. Jin Zhen Yuan was appointed Financial Controller of the Company.

(10) At the second extraordinary general meeting of 2025 held on 17 December 2025, Ms. Jin Zhen Yuan and Mr. Hou Sheng Hai were appointed as Directors of the ninth session of the Board of Directors of the Company. Their terms of office all commence on 17 December 2025 and end upon the term of the ninth session of Board of Directors expires.

(11) At the second extraordinary general meeting of 2025 held on 17 December 2025, the Company approved the dissolution of the Supervisory Committee, and Mr. Lin Ji Tong, Mr. Wang Chao and Ms. Ye Hui Hui have accordingly ceased to act as supervisors of the Company.

(12) The commencement of the term of office refers to the commencement of the position listed on the table; for details of their other positions, please refer to the contents under item 3 below.

(13) Regarding the appointment, and leaving of directors and senior management, the Company has issued announcements in a timely manner. For details, please refer to relevant announcements.

2. Change in Shareholding and Remuneration of Directors, Supervisors and Senior Management Currently in Office and Those Who Ceased to Hold Office During the Reporting Period

Unit: RMB10,000 (before tax)

Name	Whether hold or trade shares of the Company	Total pre-tax compensation receivable from the Company during the Reporting Period				Whether receive remuneration from related parties during the Reporting Period
		Total Remuneration	Five types of insurance and two funds	Remuneration and/or meeting allowances for directors	Total	
XU En Li	No	110.40	21.19	Not applicable	131.59	No
LIAO Xiang Wen	No	110.11	20.89	Not applicable	131.00	No
YAO Hai	No	98.60	20.43	Not applicable	119.03	No
JIN Zhen Yuan	No	Not applicable	Not applicable	Not applicable	0	Yes
HOU Sheng Hai	No	Not applicable	Not applicable	Not applicable	0	Yes
CHEN Yun Jiang	No	Not applicable	Not applicable	Not applicable	0	Yes
WU Yan Ling	No	Not applicable	Not applicable	Not applicable	0	Yes
ZHANG Jian	No	Not applicable	Not applicable	Not applicable	0	No
LI Fei Long	No	Not applicable	Not applicable	25.00	25.00	Yes
MIAO Jun	No	Not applicable	Not applicable	24.80	24.80	No
XU Hua Xiang	No	Not applicable	Not applicable	24.70	24.70	Yes
YAN Yan	No	Not applicable	Not applicable	24.70	24.70	Yes
HUANG Bi Nan	No	96.30	20.03	Not applicable	116.33	No
Wang Shao Liang	No	96.30	20.03	Not applicable	116.33	No
Wen De Liang	No	96.30	20.03	Not applicable	116.33	No
Du Meng	No	96.30	20.03	Not applicable	116.33	No
ZHAO Gui Ping	No	93.99	19.93	Not applicable	113.92	No
CHEN Shou Yi	No	93.99	19.93	Not applicable	113.92	No

Name	Whether hold or trade shares of the Company	Total pre-tax compensation receivable from the Company during the Reporting Period				Whether receive remuneration from related parties during the Reporting Period
		Total Remuneration	Five types of insurance and two funds	Remuneration and/or meeting allowances for directors	Total	
DAI Jing Ming (Resigned)	No	Not applicable	Not applicable	Not applicable	0	Yes
WEN Liang (Resigned)	No	Not applicable	Not applicable	Not applicable	0	Yes
LI Xiao Yan (Resigned)	No	Not applicable	Not applicable	Not applicable	0	Yes
LIN Ji Tong (Resigned)	No	Not applicable	Not applicable	Not applicable	0	No
WANG Chao (Resigned)	No	Not applicable	Not applicable	Not applicable	0	Yes
YE Hui Hui (Resigned)	No	52.98	16.23	0.75	69.96	No
Total	/	/	/	/	**1,243.94**	/

Description:

(1) Total Remuneration includes fixed salary and performance-based bonus. The 2025 senior management performance-based bonus shown in the above table has not yet been assessed. The above figure was estimated and summarised, and the final actual amount to be released to the senior management shall prevail. The five types of insurance and two funds include contributions to social pension insurance, other social insurance, enterprise annuity, and housing provident fund by the Company.

(2) Directors Jin Zhen Yuan and Hou Sheng Hai, former Director Wen Liang, former Director Dai Jing Ming, and former Supervisor Wang Chao are paid by related parties of the Company.

(3) Directors Chen Yun Jiang, Wu Yan Ling, Li Fei Long, Xu Hua Xiang, Yan Yan, and former Director Li Xiao Yan are paid by related parties that have no affiliation with the Company's controlling shareholder.

For the information on the remuneration policies of the Directors of the Company, remuneration and benefits policies and performance evaluation and incentive system of the Company, please refer to the contents under item 3 below.

3. Biographies of the Directors and Senior Management

As of the date of this report, the biographies s of the directors and senior management currently serving in the Company are as follows:

Director:

Name	Position in the Company	Biography
 **XU En Li**	Executive Director, Secretary of the Party Committee, Chairman, Chairman of Strategy and Investment Committee, Member of Nomination Committee. Director since Jan 2025.	Born in 1975. Mr. Xu is a senior engineer and holds a master's degree in Management Science and Engineering from Tianjin University. He has extensive experience in engineering project construction, project investment and operation management, and management of large comprehensive group enterprises. Currently, Mr. Xu is mainly responsible for leading the work of the Board, leading the formulation of the Group's development strategy, and responsible for overall management, strategic planning, business development, and cooperation of the Group. Mr. Xu once worked at Shenzhen Tagen (Group) Co., Ltd. (a company listed on the SZSE). From 2008 to 2020, he held various positions in several subsidiaries of Shum Yip Group Limited ("Shum Yip Group"), including Deputy General Manager, Deputy Secretary of the Party Committee, General Manager, Secretary of the Party Committee, and Chairman. From 2020 to 2024, he served as a member of the Party Committee and Deputy General Manager of Shum Yip Group. During this period, he also served as Secretary of the Party Committee and Chairman of Shum Yip Commercial Management Co., Ltd. and Shum Yip Land Co., Ltd. Mr. Xu had been a director of Shenzhen Investment Limited and Road King Infrastructure Limited (both listed on HKEx) from 2022 to 2024. Mr. Xu joined the Company and was appointed the Secretary of the Party Committee in November 2024, and has served as the Chairman of the Company since January 2025.
 **LIAO Xiang Wen**	Executive Director, Deputy Secretary of the Party Committee, President, Member of Strategy and Investment Committee, Member of Risk Management Committee. Director since Nov 2016 and President since Sep 2018.	Born in 1968. Mr. Liao has a doctor's degree in Law from Southwest University of Political Science and Law, and he has extensive experience in toll highway management, human resources, and legal affairs management. Mr. Liao is responsible mainly for coordinating and managing the Group's business and operation, implementing the strategies laid down by the Board and making day-to-day operating decisions, etc. Mr. Liao previously worked at the Shenzhen Transportation Bureau, holding positions such as Deputy Chief Clerk, Chief Clerk, and Deputy Director. Mr. Liao joined the Company in November 2004 and served as Vice President from September 2009 to September 2018. He has served as the President since September 2018. Mr. Liao temporarily led the Company's operations from 1 December 2022 to 25 November 2024. He once served as the Chairman of Bay Area Development (a company listed on the HKEx). Mr. Liao also serves as the director of certain invested enterprises of the Company.

Name	Position in the Company	Biography

YAO Hai

Executive Director, Deputy Secretary of the Party Committee, Member of Risk Management Committee.

Director since Feb 2024.

Born in 1973. Mr. Yao has the qualification of Economist, and holds master's degree in Public Administration from Fudan University. Mr. Yao has extensive experience in property management and business operation and management. He is mainly responsible for the coordination and management of the Company's party building, human resources, administration, corporate culture construction, labour union and league organisation building, news and publicity, etc.

Mr. Yao has been working in Shenzhen State-owned Assets Office (currently known as Shenzhen SASAC) since July 2002, and has successively served as a staff member, deputy director and director. He served as the director of the property rights management and regulations division of Shenzhen SASAC from March 2019 to December 2020. He served as a director and deputy secretary of the party committee of Shenzhen State-owned Duty-free Commodity (Group) Co., Ltd. from December 2020 to December 2023. Mr. Yao has served as the deputy secretary of the Party Committee of the Company since January 2024.

JIN Zhen Yuan

Executive Director, Financial Controller, Member of Remuneration and Appraisal Committee, Member of Nomination Committee, Member of Risk Management Committee.

Financial Controller since Nov 2025 and Director since Dec 2025.

Born in 1971. Ms. Jin has the qualifications of Senior Accountant and Chinese Certified Public Accountant (non-practicing) and holds a master's degree in accounting. She has extensive experience in finance and auditing management. Ms. Jin is mainly responsible for coordination and management of financial monitoring, internal control and internal auditing affairs of the Company. Ms. Jin takes the lead in charge of the Company's asset evaluation and filing work.

Ms. Jin previously served as Director and Financial Controller of Shenzhen Tong Chan Group Co., Ltd, and Director and Financial Controller of Shenzhen Textile (Holdings) Co., Ltd. From 2016 to 2021, she served as Director and Financial Controller of Shenzhen Cereals Holdings Co., Ltd (a company listed on the SZSE). Ms. Jin also served as Financial Controller of Shenzhen Technology Institute of Urban Public Safety from 2021 to 2025. She concurrently served as Director of Shenzhen Leaguer Co., Ltd., Director and Financial Controller of Shenzhen Wuzhou International Hotel Management Group Co., Ltd., and Supervisor of Shenzhen State-owned Duty-free Commodity (Group) Co., Ltd. Ms. Jin has served as the Financial Controller of the Company since November 2025.

Name	Position in the Company	Biography

HOU Sheng Hai

Non-executive Director, Member of Strategy and Investment Committee.

Director since Dec 2025.

Born in 1973. Mr. Hou holds a master's degree in civil and architectural engineering. He has extensive experience in engineering construction management, corporate management and administrative management.

Mr. Hou previously served as Director and Vice Chairman of Shenzhen Airlines, and held various management positions at Shenzhen SASAC. He joined Shenzhen International (a company listed on the HKEx) in February 2016 and successively served as general manager of the administration department and chief administrative officer. Mr. Hou has served as the vice president of Shenzhen International since March 2021.

CHEN Yun Jiang

Non-executive Director, Member of Strategy and Investment Committee.

Director since Jun 2025.

Born in September 1973. Mr. Chen holds a Master of Business Administration degree from Nanjing University. He has the qualification of Senior Economist and possesses extensive experience in corporate management and investment and financing.

Mr. Chen has previously worked for Nanjing Jinling Building Decoration Co., Ltd., Nanjing Aotecar Refrigerating Co., Ltd. (at Nanjing Lukou International Airport), and Jiangsu Aviation Enterprises Group Inc. He served as General Manager and Chairman of Jiangsu Yunshan Green Energy Investment Holding Company from November 2016 to November 2021. He held positions including Director of the Organisation Department (Human Resources Department) under the Party Committee and Assistant to the General Manager of Jiangsu Communications Holding Co., Ltd., as well as Chairman of the Board of Jiangsu Expressway Co., Ltd. (a company listed on the SSE and the HKEx) from November 2021 to February 2026. Mr. Chen has been member of the Party Committee and Deputy General Manager of Jiangsu Communications Holding Co., Ltd. since February 2025. He now concurrently serves as Director of Bank of Nanjing Co., Ltd. (a company listed on the SSE).

Name	Position in the Company	Biography

WU Yan Ling

Non-executive Director, Member of Audit Committee.

Director since Jan 2025.

Born in 1976. Ms. Wu holds a Master of Arts from Renmin University of China, a Financial MBA from Saïd Business School, University of Oxford, and an EMBA from School of Economics and Management, Tsinghua University. She has many years of experience in the banking and securities industries.

Ms. Wu had served as an investment manager in the Investment Banking Department at the Head Office Business Department of China CITIC Bank Corporation Limited. From 2010 to 2020, she served as Vice President, Senior Vice President, and Director in departments such as the securities finance business line, alternative investment business line, and equity derivatives business line at CITIC Securities Company Limited. She joined Guolian Securities Co., Ltd. in 2020 as Executive General Manager of the Equity Derivatives Department. In January 2023, she joined CMET (a company listed on the SZSE) and is currently the Deputy General Manager of the Capital Operation Department (Board Office).

ZHANG Jian

Non-executive Director.

Director since Jan 2025.

Born in 1974. Ms. Zhang is a senior engineer with a master's degree in transportation engineering from Tongji University. She has extensive experience in investment planning, engineering project management, planning contract management, and capital operations.

Ms. Zhang has been employed by GDRB Company since 1997. From 1997 to 2018, she successively held positions including Supervisor of the Engineering Department, Deputy Manager of the Planning and Contract Department and Manager of the Planning and Contract Department at Guangzhou Management Office of Guangshao Company, Supervisor of the Infrastructure Management Department and Deputy Manager of the Maintenance Management Department of GDRB Company. From 2018 to 2021, she successively served as Secretary of the Party Branch and Deputy General Manager of Guangdong Jiaying Ring Expressway Co., Ltd., and as Secretary of the General Party Branch of Guangdong Roads & Bridges Tianshan Branch. From 2020 to 2022, she served as Director of the Preparatory Office for Shantou-Meizhou, Guangzhou-Zhaoqing and Guangzhou-Yunfu Reconstruction and Expansion Projects of GDRB Company. Since June 2021, she has been the Director of the Investment Development Department of GDRB Company. Ms. Zhang is currently also serving as directors of some equity-participated companies of GDRB Company.

Name	Position in the Company	Biography

LI Fei Long

Independent Director, Chairman of Audit Committee, Member of Nomination Committee,

Independent Director since Jan 2021.

Born in 1964. Mr. Li has the qualification of Professor-level Senior Accountant, Chinese Certified Public Accountant and Chinese Certified Senior Risk Manager, and he holds a Bachelor's degree in Management Engineering from China University of Petroleum (formerly East China Petroleum Institute). Mr. Li has extensive experience in financial management, capital operation, investment and financing management, as well as experience in energy industry.

Mr. Li previously worked at China National Offshore Oil Corporation. From September 2010 to February 2018, Mr. Li served as executive director, executive vice president and chief financial officer of China Oilfield Services Limited (a company listed on the SSE). From January 2017 to February 2018, he concurrently served as the deputy chief accountant of China National Offshore Oil Corporation. From March 2018 to October 2019, he served as the vice president and the chief financial officer of GCL-Poly Petroleum and Natural Gas Co., Ltd. From November 2019 to December 2024, he has concurrently served as a director and the chairman of the audit and risk committee of Newage (African Global Energy) Ltd. in the United Kingdom. From October 2021 to December 2023, he served as a director of Shuyan Technology Co., Ltd. He has been serving as the deputy general manager and chief financial officer of Beijing Jiejiexi Technology Company Limited (formerly known as Beijing Jiejiexi Petroleum Equipment Company Limited) since March 2021.

MIAO Jun

Independent Director, Chairman of Nomination Committee, Member of Strategy and Investment Committee, Member of Audit Committee.

Independent Director since May 2021.

Born in 1957. Mr. Miao has the qualification of Professor-level Senior Engineer, and holds a Bachelor's degree in Power System Automation from Nanjing Institute of Technology (now Southeast University), Mr. Miao has extensive experience in power and energy management.

Mr. Miao has worked in the Ministry of Water Resources and Electric Power, the Planning Department of the Ministry of Energy, and China Longyuan Power Group Corporation Limited (a company listed on the HKEx and the SZSE). He successively served as the chief economist, deputy general manager and member of the party group in GD Power Development Co., Ltd (a company listed on the SSE) from 2000 to 2017. Mr. Miao retired in July 2017.

Name	Position in the Company	Biography

XU Hua Xiang

Independent Director, Chairman of Risk Management Committee, Member of Remuneration and Appraisal Committee, Member of Nomination Committee.

Independent Director since May 2021.

Born in 1976. Mr. Xu has the qualification of Chartered Financial Analyst (CFA), and holds a Master's of Business Administration from University of Illinois at Urbana Champaign, USA. Mr. Xu has extensive experience in financial investment and financing management.

Mr. Xu previously worked at Shanghai Rui'an Consulting Co., Ltd. From June 2004 to June 2019, Mr. Xu successively served as vice president, executive director, head of Asia Pacific transportation research at Morgan Stanley Asia Limited; From July 2019 to July 2022, he served as the chief strategy officer of EHang Intelligence Holdings Co., Ltd. (a US-listed company). From December 2021 to September 2024, he served as the legal representative, Executive Director, and General Manager of Shenzhen Xujiang Innovation Technology Co., Ltd. Since June 2023, he has been a licenced person and a senior partner of Axioms Capital Management Limited, an executive partner of Guangzhou Guoning Xiangyuan Commercial Investment Partnership (Limited Partnership), director and manager of Selenium Ruikang (Chengdu) Biotechnology Co., Ltd., director of Shanghai Guanyan Hotel Management Co., Ltd., and partner of Shanghai Tixi'a Enterprise Management Consulting Partnership (Limited Partnership).

YAN Yan

Independent Director, Chairman of Remuneration and Appraisal Committee, Member of Audit Committee, Member of Risk Management Committee.

Independent Director since Feb 2024.

Born in 1972. Mr. Yan has the qualification of Chinese Certified Public Accountant (non-practicing) and the professional title of professor in accounting. Mr. Yan holds a Doctorate in Management from the Department of Accounting at Fudan University and a postdoctoral degree in Business Administration from the School of Accounting at Shanghai University of Finance and Economics. He possesses professional competence and work experience suitable for his duties.

Mr. Yan formerly served as a principal staff member at the Department of Science and Technology of Jiangsu Province, a professor of Shanghai National Accounting Institute, and a lawyer and partner assigned by the Shanghai Branch of Beijing Long'an Law Firm. Formerly served as an independent director of Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (a company listed on the SZSE) and stepped down upon the expiration of the term in December 2025. Currently, Mr. Yan also serves as an independent director of SB Wealth Management Co., Ltd., BNP Paribas (Shanghai) Limited.

Non-director Senior Management and Company Secretaries:

Name	Position in the Company	Resume
 **HUANG Bi Nan**	Vice President.	Born in 1971. Ms. Huang has the qualification of Economist, and holds a Bachelor's degree of Management from Renmin University of China. Ms. Huang has many years of experience in highway operation management, enterprise management, and management system construction. Currently, she is mainly responsible for the overall management of the Group's highway operations, collaboration, property rights management of investee companies, business planning management, performance appraisal, etc. Ms. Huang joined the Company in 1997 and was appointed as the director of General Office of the Company since June 2008. She has served as the Vice President since September 2015. Currently, she serves concurrently as chairman, vice chairman and director of some subsidiaries and investees of the Company.
 **WANG Shao Liang**	Vice President.	Born in 1973. Mr. Wang is a Senior Engineer and holds a Master's degree of Engineering in Bridge and Tunnel Engineering from Southwest Jiaotong University. Mr. Wang has extensive domestic and international project management experience, as well as administrative management experience in regional planning, urban development strategy, and social affairs. Currently, he is mainly responsible for the Group's strategy management, investment operations and property rights changes. Mr. Wang had worked in the Overseas Department of China Railway Engineering Corporation, the Urban Development Division, Social Development Division, and Major Project Coordination Division of the Shenzhen Development and Reform Commission, holding positions such as Deputy Director and Director. From September 2021 to June 2024, he served as Deputy Director of the Shenzhen National High-tech Industry Innovation Centre (Shenzhen Development and Reform Research Institute). Mr. Wang has served as Vice President of the Company since July 2024.
 **WEN De Liang**	Vice President.	Born in 1982. Mr. Wen has a Bachelor's degree of Transportation from Changsha University of Science and Technology. He has many years of experience in administrative and corporate management. Mr. Wen is currently mainly responsible for the overall management of the Company's industry finance business and new energy industry. Mr. Wen had worked in Whole Logistics (Shenzhen) Co., Ltd., Shenzhen International South China Logistics Co., Ltd., and Shenzhen International. He joined the Company in June 2015 and successively served as the deputy general manager of the New Industry R&D Department and the deputy director of the General Office. Mr. Wen served as the director of the General Office of the Company from August 2016 to May 2022. has been serving as the Vice President of the Company since December 2021. Mr. Wen currently also serves as chairman and director of certain subsidiaries of the Company.

Name	Position in the Company	Resume

DU Meng

Vice President.

Born in 1974. Mr. Du has the qualification of Senior Engineer, and has a Bachelor's degree of Civil Engineering from Jilin University. Mr. Du has many years of experience in construction and enterprise development management, and is currently mainly responsible for the overall management of the Company's engineering construction.

Mr. Du joined the Company in 2002 and has served as the deputy general manager of the project management division, the general manager of the project management division, the deputy general manager of the engineering management division and the deputy general manager of Shenzhen Expressway Construction and Development Co., Ltd. Since November 2017, Mr. Du has successively served as the general manager and chairman of Shenzhen Expressway Infrastructure Environmental Protection Development Co., Ltd. Mr. Du has been a Vice President of the Company since December 2021. Mr. Du is also chairman of some subsidiaries of the Company.

ZHAO Gui Ping

Chief Financial Officer, Board Secretary and Company Secretary.

Born in 1973. Ms. Zhao has the qualification of Chinese Certified Public Accountant (non-practicing), Registered Asset Appraiser (non-practicing), and holds a Master's degree of Business Administration from Fudan University. Ms. Zhao has extensive experience in finance, auditing and corporate management. Currently, she is mainly responsible for the overall management of the Company's finance, financing work, information disclosure, investor relations, general meetings, and routine affairs of the Board.

Ms. Zhao joined the Company in 2000 and successively served as assistant to the manager of the finance department, deputy general manager of the finance department, deputy general manager and chief financial officer of Shenzhen Expressway Investment Co., Ltd. Ms. Zhao served as the general manager of the finance department of the Company from December 2016 to March 2020, and has been the chief accountant of the Company since September 2018. Ms. Zhao has been the secretary to the Board and joint company secretary/company secretary of the Company since March 2022. Since January 2026, she has also served as a Director of Bay Area Development (a company listed on the HKEx). Ms. Zhao is also currently serving as director of certain subsidiaries of the Company.

CHEN Shou Yi

Chief Engineer.

Born in 1971. Mr. Chen has the qualification of Senior Engineer, and holds a Master's degree in Highway and Bridge Engineering from Tongji University. Mr. Chen has extensive experience in engineering construction and enterprise management. Currently, he is responsible mainly for the overall management of the Company's technologies, information technology construction, and safety production.

Mr. Chen served as the General Manager of Shenzhen Longda Expressway Company Limited from 2008 to 2015. Mr. Chen joined the Company in 2015 and served as the general manager of the engineering management department and the chairman of Shenzhen Expressway Construction and Development Co., Ltd. Mr. Chen has been the chief engineer of the Company since September 2018. He serves concurrently as chairman, director and general manager of some subsidiaries of the Company.

Directors, supervisors and other management members who ceased to hold office during the Reporting Period:

Name	Main positions in the Company as at the end of the Reporting Period and biographies
LI Xiao Yan	Ms. Li served as a Non-executive Director of the Company from January 2021 to January 2025. Born in 1977. Ms. Li has the qualification of Senior Accountant, Chinese Certified Public Accountant (non-practicing), Royal Chartered Accountant, Global Chartered Management Accountant, and holds Master's degree in Accounting from Xi'an Jiaotong University. Ms. Li has extensive working experience in financial management, corporate management, and investment and financing management. Ms. Li worked in Sinotrans Group from August 2001 to March 2020. She served as the chief financial officer of a business division, general manager of the finance department, and a member of the disciplinary committee of Sinotrans Limited (a company listed on the HKEx and SSE). She has served as the deputy chief financial officer of CMET (a company listed on the SZSE) since April 2020, and served as the chief financial officer of CMET from April 2022 to May 2024. She has been CFO and a member of the Party Committee of Sinotrans Limited since May 2024.
DAI Jing Ming	Mr. Dai served as a Non-executive Director of the Company from January 2021 to January 2025. Born in 1964. Mr. Dai has the qualification of Senior Economist, and holds PhD in Economics from the Institute of Fiscal Science, Ministry of Finance. Mr. Dai has rich experience in corporate finance, investment and management. Mr. Dai worked at Shum Yip Group Limited, serving as the General Manager of the Group's Audit Department, Office, Risk Management Department, and Planning and Finance Department successively. He joined Shenzhen International (a company listed on the HKEx) and served as the chief financial officer in August 2017, and served as an Executive Director of Shenzhen International from September 2020 to January 2025. Mr. Dai retired in January 2025.
LAM Yuen Ling Eva	Ms. Lam had been the Joint Company Secretary of the Company from January 2016 to January 2019 and from August 2019 to August 2025. Born in 1966. Ms. Lam has the qualification of a Senior Certificate in Corporate Secretary and Administration from The Hong Kong Polytechnic University. Ms. Lam holds a Master's degree of Science in Corporate Governance and Director Studies from Hong Kong Baptist University, and she has over 20 years of experience in company secretarial services and commercial solutions. Ms. Lam is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and is a Certified Corporate Governance Professional. Ms. Lam is also a permanent associate member of The Hong Kong Independent Non-executive Director Association. Ms. Lam is currently a director of BMI Listed Corporate Services Limited and is responsible for supervising the company secretarial teams to provide full range of listed and private company secretarial services to clients.

Name	Main positions in the Company as at the end of the Reporting Period and biographies
WEN Liang	Mr. Wen served as a Director of the Company from March 2019 to November 2025 and Financial Controller of the Company from September 2018 to November 2025. Born in 1973. Mr. Wen has the qualification of Senior Accountant, and holds master's degree in Management from Zhongnan University of Economics and Law. Mr. Wen has extensive experience in finance and auditing management. Mr. Wen successively served as the head of budget control office and auditing department of Shenzhen Water (Group) Co., Ltd. from 1996 to September 2018 and concurrently served as director and supervisor of some of its subsidiaries. Mr. Wen has also concurrently served as supervisor of Shenzhen Port Group Co., Ltd. since February 2017 until now. Mr. Wen joined the Company in September 2018 and served as the Financial Controller. He has served as an Executive Director of the Company since March 2019. Mr. Wen resigned as Financial Controller and Executive Director of the Company in November 2025.
LIN Ji Tong	Mr. Lin served as (Shareholders' Representative) Supervisor and Chairman of the Supervisory Committee of the Company from June 2020 to December 2025, and Secretary of the Disciplinary Committee of the Company from May 2020 to November 2024. Born in 1969. Mr. Lin holds a Master's degree in Law from Jinan University, and has extensive working experience in party and government affairs and disciplinary inspection and supervision. Mr. Lin has worked as the head of the People's Court of Rongcheng District of Jieyang City and the Rongcheng District Committee of Jieyang City. He successively served as deputy secretary of the party working committee of Guangming Sub-district Office and the director of the Land Supervision Bureau of Guangming New District of Shenzhen from August 2008 to September 2016. He worked as the deputy general manager of a subsidiary of Shenzhen International (a company listed on the HKEx), the head of the discipline inspection and supervision office and the deputy secretary of the disciplinary committee of Shenzhen International successively from September 2016 to April 2020.
WANG Chao	Mr. Wang served as (Shareholders' Representative) Supervisor of the Company from January 2021 to December 2025. Born in 1972, Mr. Wang has the qualification of Senior Accountant, and holds a Bachelor's degree of Auditing from Central South University of Finance and Economics. Mr. Wang has extensive working experience in finance, auditing and risk management. Mr. Wang previously worked in Shenzhen Baoheng (Group) Co., Ltd. and COFCO Real Estate (Group) Co., Ltd. He served as department head and deputy minister in Shenzhen Investment Holdings Co., Ltd. from June 2008 to November 2016, and the head of the financial department of Shenzhen Talents Housing Group Co., Ltd. from November 2016 to November 2020. He served as a director and chief financial officer of Shenzhen Tagen Group Co., Ltd. (a company listed on the SZSE) from November 2020 to July 2024. He has served as a director and CFO of Shenzhen Energy Group Co., Ltd. since July 2024.

Name	Main positions in the Company as at the end of the Reporting Period and biographies
YE Hui Hui	Ms. Ye served as (Staff Representative) Supervisor of the Company from January 2021 to December 2025. She is currently the senior manager of the risk management and legal department of the Company. Born in 1976, Ms. Ye has the qualification of International Registered Internal Auditor, and holds a Bachelor's degree of Auditing from Shanxi University of Finance and Economics. Ms. Ye has years of auditing experience. Ms. Ye taught in the department of economics and management of Guangdong Shaoguan University. She joined the Company in November 2001 and has served as a senior manager of the standards management department, senior manager of the board secretary department, and senior auditor of the audit department.

II. Positions held by the Directors and Senior Management

1. Positions in shareholder entities

Name	Shareholder name	Positions held in shareholder entities	Term of Office
DAI Jing Ming	Shenzhen International	Executive Director	Sep 2020 – Jan 2025
		Financial Controller	Aug 2017 – Jan 2025
HOU Sheng Hai	Shenzhen International	Vice President	Feb 2021 – Present
LI Xiao Yan	CMET	Financial Controller	Apr 2022 – May 2024
WU Yan Ling	CMET	Deputy General Manager of the Capital Operations Department (Board Office)	Jan 2023 – Present
ZHANG Jian	GDRB Company	Head of the Investment and Development Department	Jun 2021 – Present
Description of positions held in shareholder entities		In addition to the abovementioned main positions in shareholder entities, former Directors Li Xiao Yan, Dai Jing Ming, and current Directors Hou Sheng Hai and Zhang Jian also serve as directors and hold other positions at some non-listed subsidiaries or investee companies of the relevant shareholder entities.	

2. Positions in other entities

Except for the above, the main positions held by the directors and senior management in other entities include:

Name	Name of other entities	Employment in other entities	Term of Office
CHEN Yun Jiang	Jiangsu Expressway Company Limited	Chairman of the Board	Apr 2022 – Feb 2026
	Jiangsu Communications Holdings	Party Committee Member and Deputy General Manager	Feb 2025 – Present
LI Fei Long	Beijing JJC Technology Co., Ltd.	Deputy General Manager, Financial Controller	Mar 2021 – Present
XU Hua Xiang	Axioms Capital Management Limited	Licensee and Senior Partner	Jun 2023 – Present
	Guangzhou Guoning Xiangyuan Business Investment Partnership (Limited Partnership)	Executive Partner	Mar 2023 – Present
	Xiruikang (Chengdu) Biotechnology Co., Ltd.	Director and Manager	Mar 2024 – Present
	Shanghai Guanyan Hotel Management Co., Ltd.	Legal Representative	Jul 2024 – Present
	Shanghai Tixia'a Enterprise Management Consulting Partnership (Limited Partnership)	Executive Partner	Apr 2024 – Present
YAN Yan	Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd.	Independent Director	Dec 2019 – Dec 2025
	BNP Paribas (China) Co., Ltd.	Independent Director	Jan 2020 – Present
	Suyin Wealth Management Co., Ltd.	Independent Director	Aug 2020 – Present

Note: For specific information for positions held by Directors and Senior Management in other entities, please refer to the biographies above.

III. Employee Profile and Human Resource Management

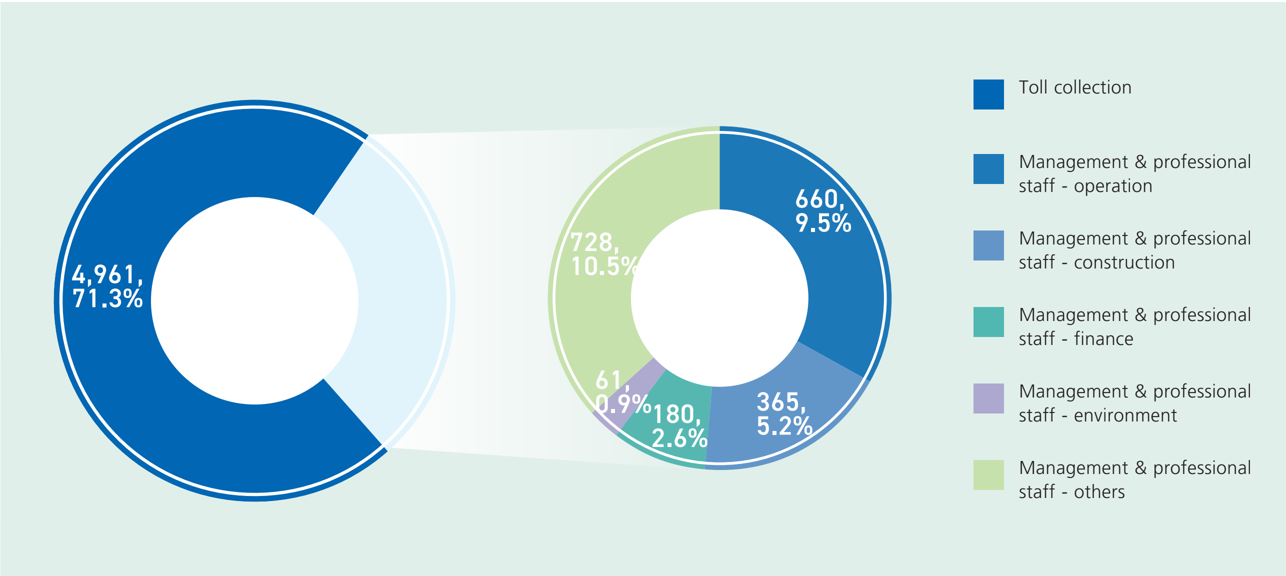
1. Employee Profile:

Number of employees in the parent company	1,418
Number of employees in the main subsidiaries	5,537
Total number of employees	6,955
Number of retired employees whose costs are borne by the parent company and the main subsidiaries	0

Directors, Senior Management and Employees

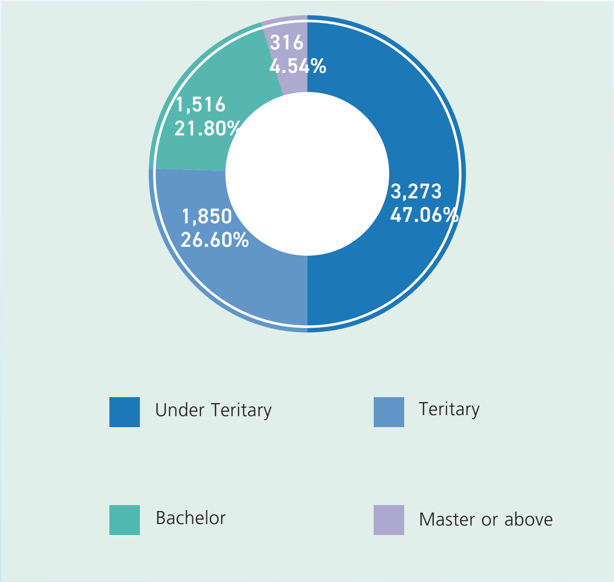
As at the end of the Reporting Period, among the employees of the Group (including the Company and its consolidated subsidiaries), there were 4,961 frontline staff, representing 71.3% of the total number, and 1,994 management and professional staff, including staff across operation, engineering, finance, environment and other categories, representing 28.7% of the total. The structure of profession of the Group's staff is as follows:

The Structure of Profession of the Group's Staff



Among all employees of the Group, approximately 52.9% held tertiary or above qualifications, with 73.6% of management and professional personnel having a bachelor's degree or above. The educational level of the Group's staff is as follows:

The Educational Level of the Group's Staff



2. Remuneration policy

Remuneration Policies of the Directors

The remuneration of the Directors of the Company is determined in accordance with the relevant PRC policies/regulations with reference to prevailing market conditions and the Company's actual situation, subject to approval at the general meeting upon review by the Board. The Remuneration and Appraisal Committee is responsible for advising the Board on formulating the proposals in respect of the Directors' remuneration during the Reporting Period.

According to the proposed plans approved by the general meeting, independent directors and directors who do not hold any positions in shareholder entities would receive directors' fees, and no any additional fees would be separately determined or paid to the directors who are already entitled to receive management remuneration in the Company or shareholder entities. All directors are entitled to obtain meeting allowances for the meetings as stipulated. During the Reporting Period, the proposal for the remuneration of the members of the Board was strictly implemented as approved by the general meeting.

Remuneration and Benefits Policies:

The remuneration and benefit policies of the Company were implemented pursuant to the statutory requirements and the Management Procedures for Remuneration and Benefits of the Company. The remuneration and benefits of the staff include position-based salary, the performance bonus and the statutory and corporate welfares and are determined based on the market value of the position, corporate performance and the comprehensive performance of staff.

The Company's Executive Directors and senior management receive management remuneration based on their specific management positions in the Company. The remuneration of senior management includes basic annual salaries and performance bonuses, of which performance bonuses are calculated in accordance with the relevant regulations of the Company, including its Management Measures for Performance Evaluation and Remuneration for the Senior Management approved by the Board of Directors of the Company. It is subject to review by the Remuneration and Assessment Committee and subsequent approval by the Board, with clear provisions on relevant deferred payment arrangements and clawback provisions.

Pursuant to the statutory requirements, the Group has participated in the employee retirement benefit program (social pension insurance) and the housing provident fund plan coordinated or organised by the local government authorities, and has arranged various security plans such as medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for its employees. According to the relevant regulations, the Group is required to pay contributions equivalent to a certain percentage of the employee's aggregate salary (within the statutory cap) to the labour and social security authorities management centre as social insurance contributions for items such as pension and medical insurance expenses. In addition, the Company also makes enterprise annuity contributions (supplementary pension insurance) for its management and professional personnel regularly.

For details of the remuneration and benefits for employees during the Reporting Period, please refer to notes V\30 and V\39 to the Financial Statements in this annual report.

Performance Evaluation and Incentive System:

The Board determines the Company's annual operating performance targets each year and sets out clear and concrete rating criteria as the basis for year-end appraisals on the overall performance of the Executive Directors and the management of the Company. In 2025, guided by the overall goals of value and development quality improvement, the Company set key performance targets covering operating performance, business expansion, project construction, market capitalisation management, technological innovation, work safety, ecological sustainability, party building, and anti-corruption practices.

Based on the operating performance targets approved by the Board, the Company is required to determine the annual tasks and targets for staff members of all ranks, segregate and delegate the Company's objectives to the relevant departments and staff. By the end of the year, the Board shall determine the annual operating performance appraisal results for individual senior management members based on the actual completion of their individual performance targets. These results are calculated in accordance with the relevant provisions of the Company's Management Measures for Performance Evaluation and Remuneration for the Senior Management, reviewed by the Remuneration and Assessment Committee and subsequent approval by the Board.

3. Staff Training

Guided by the core principle of "empowering talent to drive strategy implementation.", the Group has established a multi-tiered training system covering senior executives, mid-level managers, backbone staff and emerging talents, in accordance with its strategic plan for the 14th Five-Year Plan period and its annual development tasks, which focuses on smart transportation, green and low-carbon development, and industry-finance integration. In 2025, the Group's training initiatives were strategically aligned with its dual core businesses, aiming to reinforce our industrial foundation and fortify our risk prevention and control capabilities. We designed and implemented a comprehensive training framework covering general management, Party building and disciplinary inspection, and professional skills to cultivate talents with core competencies that are essential to the Group's development. During the Reporting Period, the various business segments of the Group organised over 500 online and offline training sessions, involving over 21,000 person-times. The training curriculum covered laws and regulations, risk management, safety management, operational management, financial management and comprehensive professional literacy skills, etc.

Corporate Governance Summary

I. Description of the Overall Corporate Governance

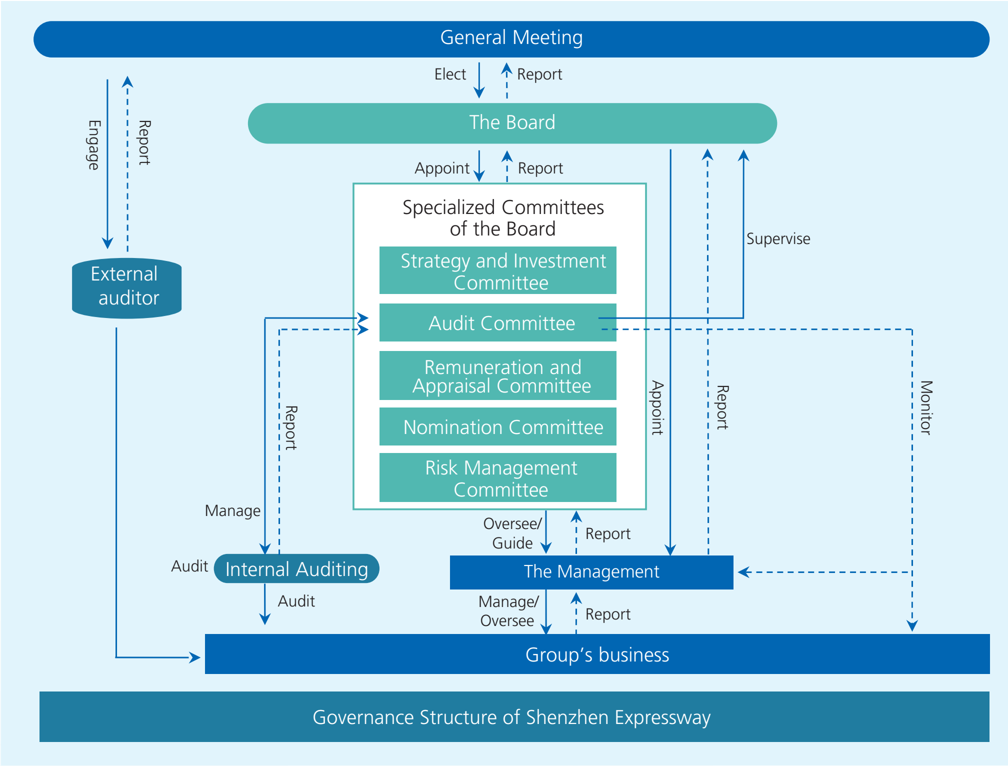
Sound corporate governance enables the Company to achieve healthy and stable development. The Company has always been committed to perfecting its governance structure, establishing and improving operational principles and improving the effectiveness of governance continuously.

The Company is listed on both the SSE and HKEx. The Company has to comply with the applicable laws and regulatory requirements for securities regarding corporate governance practises in both places. During the Reporting Period, the Company complied with the Company Law and the relevant requirements issued by CSRC. The Company has also fully adopted all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules of the HKEx. There has been no material deviation or non-compliance, except for a delay in the renewal of the Board of Directors due to the nomination delay, and some Directors have served continuously for more than three years. The Company strives to implement better corporate governance practice and has adopted more stringent requirements than the code provisions under the Corporate Governance Code in certain aspects. Please refer to "Corporate Governance Report" in this annual report for details of the compliance with the Corporate Governance Code.

II. Corporate Governance Structure and Rules

In 2025, in accordance with the provisions of the *Company Law of the People's Republic of China* (the "Company Law"), the China Securities Regulatory Commission's *Arrangements on the Transitional Period for the Implementation of Supporting Systems and Rules for the New Company Law* and other applicable laws, regulations and normative documents, the Company dissolved its Supervisory Committee and the office of supervisor(s). The functions and powers originally vested in the Supervisory Committee under the *Company Law* were accordingly delegated to the Audit Committee. Consequently, the *Rules of Procedures for the Supervisory Committee* were repealed. These changes were duly approved by the shareholders at the Company's Second Extraordinary General Meeting of 2025 held on 17 December 2025.

The Company has set up a corporate governance structure which comprises the general meeting, the Board, and the management. Under the Board of Directors, five specialised committees have been set up, namely the Strategy and Investment Committee, the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee and the Risk Management Committee, to assist the Board of Directors in enhancing the standardised governance of the Company in respect of strategic development and project investment, financial reporting and internal control, remuneration and Assessment, human resources and risk management, among other aspects. The Company formulated multi-tier governance rules based on the Articles of Association, covering overall policies, principles and standards on corporate governance, compliance and the code of conduct, aiming to clearly define the duties, terms of reference and code of conduct of all parties.



The key documents in the governance rules of the Company include the Articles of Association and its appendices (Rules of Procedures for the General Meeting, Rules of Procedures for the Board of Directors), Terms of Reference of the specialised committees, Rules on Performing Duties by the Independent Directors, Rules on Performing Duties by the President, Securities Transaction Code, Rules Governing Information Disclosure Matters, Rules of Investor Relations Management, Rules Governing Insider Information, and Rules Governing Connected Transactions etc., all of which can be viewed or downloaded from the Company's H Share market announcement website.

In 2025, to further standardise the Company's operations and enhance its corporate governance, the Company revised its Articles of Association, Rules of Procedure for General Meetings and Rules of Procedure for the Board of Directors. The revisions were made in accordance with the Company Law, the China Securities Regulatory Commission's *Arrangements on the Transitional Period for the Implementation of Supporting Systems and Rules for the New Company Law*, *Guidelines for the Articles of Association of Listed Companies*, *Measures for the Administration of the Overseas Issuance of Securities and Listing of Domestic Enterprises (Trial)*, *Measures for the Administration of Independent Directors of Listed Companies*, *Rules for General Meetings of Listed Companies* and *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, as well as other applicable laws, regulations and normative documents, and in light of the Company's actual operations. Such revised documents were considered and approved at the Second Extraordinary General Meeting of the Company for the year 2025 convened on 17 December 2025. Copies of the revised Articles of Association, Rules of Procedure for General Meetings and Rules of Procedure for the Board of Directors can be viewed or downloaded from the Company's H Share market announcement website.

The implementation of the management system of insiders:

The Company attaches great importance to enhancing the law observance and compliance awareness of the Directors and senior management and forbids any insider trading of the shares of the Company. The Company has established various systems including the Securities Transaction Code, Rules Governing Insider Information Management, and Code of Conduct in Relation to Information Disclosure to Shareholders so as to enhance the secrecy management of insider information, regulate insider trading of the Company's shares, and protect the Company's interests and the principle of equality for information disclosure. During the year, the Company has completed the insiders' registration in relation to the regular reports pursuant to relevant regulations.

III. Information on General Meetings

In 2025, three general meetings were held by the Company at the conference room of the Company, as detailed below:

Name of the meeting	Convening date	Query index on designated websites for the resolutions	Disclosing date of resolutions	Resolution of the meeting
The first Extraordinary General Meeting in 2025	9 January 2025	Available on the websites of SSE (http://www.sse.com.cn), and the HKEx (http://www.hkexnews.hk), and the Company's website for H-share market announcements (https://expressway.aconnect.com.hk).	10 January 2025	The following proposal was considered and passed as an ordinary resolution at the meeting: 1. Proposal on the by-election of directors for the ninth session of the Board of the Company;
2024 Annual General Meeting	30 June 2025		1 July 2025	The following proposals were considered and passed as ordinary resolutions at the meeting: 1. The report of the directors for the year 2024; 2. The report of the Supervisory Committee for the year 2024; 3. The audited accounts for the year 2024; 4. The proposed distribution scheme of profits for the year 2024 (including the declaration of final dividend); 5. The budget report for the year 2025; 6. The proposal in relation to the appointment of the auditor for 2025; 7. The proposal in relation to the authorisation of guarantees; 8. The proposal in relation to the appointment of directors for the ninth session of the Board of the Company; The following proposals were considered and passed as special resolutions at the meeting: 9. The proposal in relation to the grant of a general mandate to the Board to register and issue debt financing instruments.
The Second Extraordinary General Meeting in 2025	17 December 2025		18 December 2025	The following proposal was considered and passed as a special resolution at the meeting: 1. The proposal in relation to the dissolution of the Supervisory Committee and the revision of the Company's Articles of Association and related rules of procedure; The following proposal was considered and passed as an ordinary resolution at the meeting: 2. The proposal in relation to the election of directors for the ninth session of the Board of the Company;

IV. Performance of Duties by Directors

(I) Attendance of Directors at the Board Meetings and General meetings in 2025

		Attendance at the Board Meetings							
Directors in service as at the end of the Reporting Period	Position	Total number of meetings	Attendance in person	Attendance by correspondence	Attendance by proxy	Absence	Whether absent from two consecutive meetings in person	In-person attendance rate	Attendance at the General Meetings (Attendance in person/ Total number of meetings)
Xu En Li	Executive Director	9	8	0	1	0	No	89%	2/2
Liao Xiang Wen	Executive Director	9	9	0	0	0	No	100%	3/3
Yao Hai	Executive Director	9	8	0	1	0	No	89%	2/3
Jin Zhen Yuan	Executive Director	/	/	0	/	/	/	/	0
Hou Sheng Hai	Non-executive Director	/	/	0	/	/	/	/	0
Chen Yun Jiang	Non-executive Director	3	3	3	0	0	No	100%	1/1
Wu Yan Ling	Non-executive Director	9	9	9	0	0	No	100%	2/2
Zhang Jian	Non-executive Director	9	8	8	1	0	No	89%	2/2
Li Fei Long	Independent Director	9	9	8	0	0	No	100%	3/3
Miao Jun	Independent Director	9	9	5	0	0	No	100%	3/3
Xu Hua Xiang	Independent Director	9	8	5	1	0	No	89%	3/3
Yan Yan	Independent Director	9	9	8	0	0	No	100%	3/3

		Attendance at the Board Meetings							
Directors no longer in service as at the end of the Reporting Period	Position	Total number of meetings	Attendance in person	Attendance by correspondence	Attendance by proxy	Absence	Whether absent from two consecutive meetings in person	In-person attendance rate	Attendance at the General Meetings (Attendance in person/ Total number of meetings)
Wen Liang	Executive Director	8	6	0	2	0	No	75%	1/2
Dai Jing Ming	Non-executive Director	1	1	1	0	0	No	100%	1/1
Li Xiao Yan	Non-executive Director	/	/	0	/	/	/	/	1/1

Note 1: According to the Company's Articles of Association, attendance at a meeting through electronic communication such as telephone is regarded as attendance in person.

(II) Attendance of Directors at the Meetings of the Specialised Committees in 2025

		Attendance (Attendance in person/Total number of meetings)						
Directors in service as at the end of the Reporting Period	Position held in the specialised committees during the Reporting Period	Strategy and Investment Committee	Audit Committee	Remuneration and Assessment Committee	Nomination Committee	Risk Management Committee	Special Meeting of Independent Directors & the Chairman[Note 3]	Special Meeting of Independent Directors[note 4]
Xu En Li	Chairman of the Strategy and Investment Committee Member of the Risk Management Committee	5/5	Not applicable	Not applicable	2/2	Not applicable	1/1	Not applicable
Liao Xiang Wen	Member of the Strategy and Investment Committee Member of the Risk Management Committee	5/5	[Note 1]1	Not applicable	Not applicable	2/2	Not applicable	Not applicable
Yao Hai	Member of the Nomination Committee[Note 5] Member of the Risk Management Committee[Note 5]	Not applicable	Not applicable	Not applicable	2/2	Not applicable	Not applicable	Not applicable
Jin Zhen Yuan	Member of the Remuneration and Assessment Committee[Note 5] Member of the Nomination Committee[Note 5] Member of the Risk Management Committee[Note 5]	Not applicable	Not applicable	1/1	Not applicable	Not applicable	Not applicable	Not applicable
Hou Sheng Hai	Member of the Strategy and Investment Committee[Note 5]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Chen Yun Jiang	Member of the Strategy and Investment Committee[Note 5]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Wu Yan Ling	Member of the Audit Committee[Note 5]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Li Fei Long	Chairman of the Audit Committee Chairman of the Remuneration and Assessment Committee[Note 5] Member of the Strategy and Investment Committee[Note 5] Member of the Nomination Committee	[Note 2]4/5	5/5	2/2	2/2	Not applicable	1/1	1/1
Miao Jun	Chairman of the Nomination Committee Member of the Strategy and Investment Committee Member of the Audit Committee	[Note 2]3/5	5/5	Not applicable	2/2	Not applicable	1/1	1/1
Xu Hua Xiang	Chairman of the Risk Management Committee Member of the Remuneration and Assessment Committee Member of the Nomination Committee	Not applicable	[Note 1]1	3/3	2/2	2/2	1/1	1/1
Yan Yan	Member of the Audit Committee Member of the Risk Management Committee Chairman of the Remuneration and Assessment Committee[Note 5]	Not applicable	5/5	1/1	Not applicable	2/2	1/1	1/1

		Attendance (Attendance in person/Total number of meetings)						
Directors no longer in service as at the end of the Reporting Period	Position held in the specialised committees during the Reporting Period	Strategy and Investment Committee	Audit Committee	Remuneration and Assessment Committee	Nomination Committee	Risk Management Committee	Special Meeting of Independent Directors & the Chairman[Note 3]	Special Meeting of Independent Directors[note 4]
Wen Liang	Member of the Risk Management Committee Member of the Remuneration and Assessment Committee	Not applicable	Not applicable	[Note 2]0/2	Not applicable	[Note 2]1/2	Not applicable	Not applicable
Dai Jing Ming	Chairman of the Strategy and Investment Committee	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Li Xiao Yan	Member of the Audit Committee Member of the Remuneration and Assessment Committee	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

1. Attendance as a non-voting member.

2. Absent from the meetings:

   Former Director Wen Liang was unable to attend the first and second meeting of the Remuneration and Assessment Committee Strategy and Investment Committee in 2025 due to business engagements;

   Former Director Wen Liang was unable to attend the first meeting of the Risk Management Committee in 2025 due to business engagements, and entrusted Executive Director Liao Xiang Wen to attend the meeting and express opinions for him;

   Strategy and Investment Committee
   Independent Director Li Fei Long was unable to attend the second meeting of the Strategy and Investment Committee in 2025 due to business engagements, and entrusted Independent Director Miao Jun to attend the meeting and express opinions for him;

   Independent Director Miao Jun was unable to attend the third and fourth meeting of the Strategy and Investment Committee in 2025 due to business engagements, and entrusted Independent Director Li Fei Long to attend the third meeting and express opinions for him;

3. One Special Meeting of Independent Directors and the Chairman of 2025 was held on 10 February 2026.

4. One Special Meeting of Independent Directors was held during the Reporting Period.

5. On 17 December 2025, the Board of Directors of the Company considered and approved the "Proposal on Adjusting the Members of the specialised Committees of the Ninth Board of Directors". With effect from that date: Executive Director Yao Hai was appointed as a member of the Risk Management Committee and ceased to hold the position of member of the Nomination Committee; Executive Director Jin Zhen Yuan was appointed as a member of the Remuneration and Assessment Committee, the Nomination Committee and the Risk Management Committee; Non-executive Directors Hou Sheng Hai and Chen Yun Jiang were appointed as members of the Strategy and Investment Committee; Non-executive Director Wu Yan Ling was appointed as a member of the Audit Committee; Independent Director Yan Yan was appointed as Chairman of the Remuneration and Assessment Committee; Independent Director Li Fei Long ceased to hold the positions of Chairman of the Remuneration and Assessment Committee and member of the Strategy and Investment Committee.

(III) Performance of Duties by Independent Directors

In 2025, the Independent Directors of the Company gave no dissent to the resolutions/matters discussed by the Board or specialised committees of the Company, and no Independent Director of the Company proposed to convene any Board meeting or general meeting. The four Independent Directors of the Company serves as chairmen or members in the specialised committees of the Board. The chairmen of the Audit Committee, Remuneration and Assessment Committee, Nomination Committee, and Risk Management Committee are all held by Independent Directors, and Independent Directors accounted for more than half of the members of the Audit Committee, Remuneration and Assessment Committee, and Nomination Committee. During the Reporting Period, the four Independent Directors of the Company gave full play to their professional advantages and management experience, and fulfilled their duties in various specialised committees faithfully. In accordance with regulatory requirements and guidelines, they held special meetings of Independent Directors to review the Company's connected transactions in advance, participated actively in decision-making on major matters of the Company, and provided constructive opinions on the Company's business development, strategic planning, financial reporting, internal control, risk control, etc. They fully exercised the role of Independent Directors, providing effective supervising and balance to protect the overall interests of the Company and shareholders. For details of the annual performance of duties by the four Independent Directors, please refer to the 2025 Personal Duty Report of the four Independent Directors (Chinese version) released by the Company on the websites of the exchanges on the Reporting Date.

V. Annual Performance of Duties by Specialised Committees of the Board

In 2025, the specialised committees of the Board convened 17 meetings in total. For the composition of each specialised committee and the attendance at the committee meetings during the year, please refer to the content of "Performance of Duties by Directors" above.

(I) Strategy and Investment Committee

The Strategy and Investment Committee was established in November 2001. Its primary responsibilities include: conducting research on the Company's strategic planning; evaluating core business adjustments, major investments and mergers & acquisitions, capital operations, and other matters subject to Board decisions; monitoring and assessing the implementation of strategies and investment plans; and making timely recommendations for strategic adjustments, among other duties.

In 2025, the Strategy and Investment Committee held five meetings in total, and its major tasks during the year included:

- Reviewing the proposal on the capital increase in Outer Ring Company and submitting review opinions to the Board of Directors;
- Reviewing the proposal on the investment in the four service area projects of the Qinglian Expressway and submitting review opinions to the Board of Directors;
- Reviewing the proposal on the safety and resilience improvement project for the Fengtoulling-Jingkou section of the Qinglian Expressway and submitting review opinions to the Board of Directors;
- Reviewing the proposal on the formulation of the Measures for the Administration of the Development Planning of Shenzhen Expressway and the proposal on the amendment to the Provisions on the Administration of the Investment of Shenzhen Expressway;
- Reviewing the proposal on the verification of the core business of Shenzhen Expressway and submitting review opinions to the Board of Directors.

(II) Audit Committee

The Audit Committee was established in August 1999. Its primary responsibilities include the independent review and assessment of the Company's financial reporting and the quality and efficiency of internal control. It is also responsible for overseeing and evaluating the internal and external audit work, proposing the appointment or replacement of external audit firms, and coordinating the internal and external audit work, among other duties. In addition, upon the review and approval of the Second Extraordinary General Meeting of the Company for the year 2025 held on 17 December 2025, the Company dissolved the Supervisory Committee with effect from 17 December 2025, and the Audit Committee has been authorized to exercise the functions and powers previously vested in the Supervisory Committee under the Company Law.

In 2025, the Audit Committee held five meetings in total, reviewed the periodic reports, internal control reports, other reports under the HKEx's Corporate Governance Code and the effectiveness of the internal control system of the Group, and provided the Company with professional opinions and suggestions on various aspects including financial reporting, relevant accounting policies and estimates, audit work, corporate governance, risk management and internal control.

During the Reporting Period, auditors attended meetings of the Audit Committee to discuss the matters in relation to the review of regular reports. In addition, the auditors also held one independent meeting with the committee in the absence of the Executive Directors and the management of the Company to ensure the independence and objectivity of the reports. The major tasks of the committee for the year included:

- reviewing the Group's periodical financial statements, including the audited financial statements for 2024, and the Q1, interim and Q3 unaudited financial statements of 2025, and making suggestions to the Board for approval;
- assisting the Board in making evaluations on the effectiveness of the Group's internal control;
- supervising and guiding the internal audit work;
- supervising the Group's risk management and anti-fraud work;
- evaluating the auditor's work during the year and proposing renewal suggestions.

The related work of and opinions on the Group's review on financial statements, internal control and auditors are set out in "Corporate Governance Report" and "Internal Control" in this annual report. For details of the performance of duties by the Audit Committee during the year, please refer to the 2025 Duty Report of the Audit Committee (Chinese version) released by the Company on the websites of the exchanges on the Reporting Date.

(III) Remuneration and Assessment Committee

The Remuneration and Assessment Committee was established in November 2001, responsible for assisting the Board to review the remuneration policies and incentive mechanism of the Company on an on-going basis, devising the Assessment standards for the directors and senior management of the Company and conducting Assessments thereof, formulating and reviewing the remuneration policies and plans for Directors and senior management, including the remuneration decision-making mechanism, decision-making processes, payment or stop-payment and recourse arrangements, and other relevant provisions, and ensuring that none of the directors, senior management or their associates (as defined in the Listing Rules of the HKEx) was involved in setting his/her own remuneration. The committee makes recommendations to the Board regarding the remuneration of the Directors and senior management, and the remuneration of the Directors and senior management shall be specifically determined at general meetings or by the Board.

In 2025, the Remuneration and Assessment Committee held three meetings in total, and its major tasks during the year included:

- Reviewing the proposal on the 2025 annual performance assessment targets for senior management and submitting review opinions to the Board of Directors;
- Reviewing the proposal on the 2024 annual performance assessment work plan for senior management and submitting review opinions to the Board of Directors;
- Reviewing the proposal on the list of award-winning projects and the distribution plan for the 2024 annual Special Contribution Rewards;
- Reviewing the proposal on the preliminary review opinions on the qualitative assessment indicators for the 2024 annual assessment of senior management and submitting review opinions to the Board of Directors.

Details of the remuneration policies and incentive mechanism of the Company are set out in the section headed "Directors, Senior Management and Employees" in this annual report.

(IV) Nomination Committee

The Nomination Committee was established in November 2001, responsible for examining the Company's human resources development strategies and plans, selecting and reviewing the candidates for the positions of Directors and senior management and their eligibility for office, as well as conducting studies and providing recommendations in respect of candidates, nomination criteria and procedures for the directors and senior management of the Company.

In 2025, the Nomination Committee held two meetings in total, and its major tasks during the year included:

- reviewing the appropriateness of the nomination process, and selection and recommendation criteria adopted for director candidates;
- considering the proposal for director candidate nomination;
- considering the proposal on the appointment of the Financial Controller of the Group.

Details of the appointment of Directors and senior management of the Company are set out in "Directors, Senior Management and Employees" in this annual report.

(V) Risk Management Committee

The Risk Management Committee was established in August 2004. It is primarily responsible for overseeing the formulation and implementation of the Company's risk management plans to ensure that the Company can effectively manage various risks associated with its business operations and keep such risks under reasonable control. It also regularly reviews and assesses the Group's risk management plans and reviews, as well as material risk matters, and conducts risk analysis and monitoring of the Company's significant projects, among other duties.

In 2025, the Risk Management Committee held two meetings in total, and its major tasks during the year included:

- reviewing the annual risk review report and risk management plans of the Group, understanding changes of risks for the Group and the implementation of risk response measures, and discussing major risks for the Group in the future and the response measures with the management;
- reviewing the Group's financial risk warning indicators and warning interval report, and paying constant attention to significant changes in the warning indicators;
- reviewing major risk assessment reports regularly, and paying constant attention to the implementation of the Company's risk management system;
- reviewing the 2024 compliance management evaluation report and the 2025 Compliance Management Work Plan, and directing the building of the Group's compliance management system.

Corporate Governance Report

During the Reporting Period, the Company fully adopted all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules of the HKEx without any material deviation or breach of the code provisions, except for the board of directors not being re-elected on time resulting in some directors serving for more than three consecutive years due to the delay in nomination. The Company strives to implement better corporate governance practice and has adopted more stringent requirements than the code provisions under the Corporate Governance Code in certain aspects, mainly including:

☑ The job requirements for Independent Directors are clearer and more specific, and it is stipulated that their term of re-election shall not exceed six years, and in principle, they shall serve as independent directors in a maximum of three domestic listed companies;

☑ Disclosure of the remunerations of all Directors, Supervisors and senior management on a named basis in the annual report;

☑ Appointment of an external auditor for the audit on the internal control of the financial reporting;

☑ Preparation and publication of quarterly results announcements;

☑ Establishment of the Risk Management Committee, the risk control and management system for the Group as well as financial risk warning system to exercise regular control and reporting by the Company, etc.

Pursuant to the good corporate governance principles contained in the Corporate Governance Code, the evaluation and details of the daily governance work and practices of the Company during the Reporting Period are set out as follows:

A. Corporate Goal, Strategy and Governance

A.1 Corporate strategy, business model and culture

The code provisions that we complied with	A.1.1~A.1.2

The Company has set up a multi-tier corporate governance structure with the Board as the core. The Board of the Company exercises management and decision-making powers in respect of development strategies, management structure, investment and financing, business planning, financial budgeting, financial reporting, risk control, human resources, corporate governance, etc. in accordance with the Articles of Association and the authorisation of the shareholders' general meeting. It leads the operation and development of the Company, ensures the achievement of the pre-set strategic goals, and has supervisory and inspection powers over the company's development and operation.

The governance rules of the Company are based on the Articles of Association, and cover overall policies, principles and standards on corporate governance, Compliant operation and code of conduct, aiming to clearly define the duties, scope of authority and code of conduct of all parties, including the duties of loyalty and diligence of the Directors. The full text of the Articles of Association is available on the H-share market website of the Company.

The Board is responsible for drawing up mid to long-term development strategies of the Company. The latest strategy of the Company is the development strategy of the "14th Five-Year Plan" (2021-2025), which was approved at the second extraordinary general meeting in 2021.

The Company has discussed and analysed the performance of the Group in its annual report every year, including the impact of the internal and external environments on the operation of the Company and its movement trend, industry overview and the group's development position, the actual operating results and its influencing factors for the year, the completion of business plan and the outlook and future plans for next year etc.

A.2 Corporate governance functions

The code provisions that we complied with	A.2.1

The Board is responsible for the performance of its duties on corporate governance. It also established five specialised committees, namely the Strategy and Investment Committee, Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, Risk Management Committee. The Articles of Association of the Company and the Rules of Procedures for the Board of Directors have clearly defined the powers of the Board in respect of development strategies, management structure, investment and financing, business planning, financial budgeting, financial reporting, risk control, human resources, corporate governance, etc., as well as the supervision and inspection powers over the Company's development and operation. Each specialised committee has its Working Rules which explicitly explain and define its duties and powers, which have been approved by the Board.

The Articles of Association, Rules of Procedures for the Board of Directors and the Working Rules of the specialised committees are available on the H-share market website of the Company. The committees shall be authorised by the Board to exercise their powers. The committees shall be accountable to the Board but shall not enjoy exclusive powers. They shall not replace the Board in exercising their decision and management powers unless duly authorised.

In 2025, the Board regularly received reports on the review of the rules on governance, the compliance in operation of the Company, the Directors' compliance in performance of duties, and the training and growth of employee, and constantly monitored the compliance and effectiveness of corporate governance. Moreover, the Audit Committee also reviewed the Company's periodical reports, internal control evaluation report and the specialised internal audit reports submitted by the Audit Department.

B. The Composition and Nomination of the Board

B.1 Composition, succession and appraisal of the Board

The code provisions that we complied with	B.1.1~B.1.5
The recommended best practice(s) that we complied with	B.1.6

According to the provisions of the Articles of Association, the Board of the Company is composed of 12 directors. The Board evaluates the structure and composition of the Board, and the job qualifications, professional competencies, knowledge, experience, etc. of the directors through the Nomination Committee.

The term of office of the ninth session of the Board of the Company is from 1 January 2021 to 31 December 2023. The Company issued an announcement on the postponement of the term-end election of the Board on 27 December 2023: Since the nomination of candidates for the new Board has not been completed, the term-end election of the Board will be postponed in order to ensure the continuity and stability of relevant work of the Board; before the completion of the term-end election of the Board, all members of the ninth session of the Board will continue to perform their duties in accordance with laws, regulations, the Articles of Association of the Company, etc. As of the date of this report, the Board had 12 members, including Executive Directors Xu Enli, Liao Xiangwen, Yao Hai, and Jin Zhenyuan, Non-executive Directors Hou Shenghai, Chen Yunjiang, Wu Yanling and Zhang Jian, and Independent Non-executive Directors Li Feilong, Miao Jun, Xu Huaxiang, and Yan Yan. For the time when each Board member was first appointed as a Director, please refer to the section headed "Details of Directors, Senior Management and Employees" in this annual report.

The Board members come from various industry backgrounds with professional expertise in enterprise management, project management, highways, energy, financial, finance, law, administration and human resources, etc., and three of them (including two Independent Directors) possess professional financial and accounting qualifications. The members of the Board have various industry backgrounds and maintain diversity in terms of various aspects including knowledge, experience, professional skills, allowing the Board to analyse and discuss issues from different perspectives and make decisions in a more cautious and careful manner.

The Company has established the Board diversity policy. Under the policy, the Board shall take full consideration of the actual situation and development needs of the Company when selecting, evaluating and nominating candidates, and follow the diversity principle when forming the Board. The Board shall consider and assess the diversification of members in the aspects of age, gender, cultural background, educational background, professional experience and expertise and the length of service, and authorise the Nomination Committee to oversee the implementation of the policy, and when appropriate, review the policy, and expand and review measurable targets. In recent years, based on the diversification practices for Board members of the Company and the specific provisions of the Listing Rules of the HKEx, the Board further revised and improved the diversity policy for Board members, and defined measurable targets to be achieved in the selection of Board candidates. These include: the composition of Board members with different industry/professional backgrounds, the structure of Independent Directors, that at least two Board members shall have worked for the Company or served as Directors for three years or more, and that there shall be at least one female and one male director in the Board. During the Reporting Period, the Board nominated three candidates for Directors, including one female candidate. The composition of the ninth session of the Board has well demonstrated the diversity principle of the Company. The members of the Board of the Company possess diverse professional backgrounds in enterprise management, highways, energy, finance, accounting, and law, and demonstrate diversity in terms of gender, age, and skills, enabling them to contribute professional insights from multiple perspectives. Such a diverse composition not only helps enhance the quality of decision-making, but also aligns with the Company's core values of commitment to innovation, sustainable development, and high standards of corporate governance. A diversified Board ensures that the Company can effectively respond to challenges and seize market opportunities during the advancement of its development strategies, thereby achieving the Company's long-term goals.

The Company complies strictly with the applicable laws and regulations, including the Labor Law of the People's Republic of China, keeps establishing and improving policies on employment management, maintains reasonable and legal employment, and provides equal employment and development opportunities to employees of different genders, backgrounds and regions. As at the end of the Reporting Period, the gender ratio of all employees (including senior management) of the Company was 60:40. The Company will keep improving the policies on human resources, recruitment and employment management, adhere to the principle of diversification and fully leverage its advantages. For details of the Company's diversified employment policy and employee structure, please refer to the Environmental, Social and Governance Report 2025 of the Company.

The Company has published the latest list of Board members in a timely manner, which stated their roles and functions, including their respective roles in each specialised committee, and indicated whether they are Independent Non-executive Directors. The capacity of each Director (Executive Directors, Non-executive Directors or Independent Non-executive Directors) is identified in all corporate communications that bear the names of the Directors.

The Company reviews and concludes the performance of the Board annually in terms of its major tasks, operating results and financial information, as well as the participation of actual implementation of corporate governance during the year, and ultimately formulates a Report of the Directors to report to shareholders' meeting. In 2025, each Independent Director of the Company submitted an annual work report to the general meeting. The annual general meeting of the Company evaluates the performance of duties by the Board.

The Board of the Company comprises four Independent Directors, representing not less than one-third of the number of members of the Board, which complies with the relevant regulatory requirements. The Board has obtained written confirmations from all Independent Directors concerning their independence in accordance with the requirements under Rule 3.13 of the Listing Rules of the HKEx, and issued the Special Opinion on the Self-check on the Independence of the Independent Directors. The Company believes that all Independent Directors have complied with the relevant guidelines as stipulated in such rule and are regarded as independent parties during 2025.

Details of the election and change of the Directors, the Directors' biographies, terms of office and key positions are set out in "Directors, Senior Management and Employees" in this annual report.

B.2 Appointment, re-election and removal

The code provisions that we complied with	B.2.1~B.2.4

According to the provisions of the Articles of Association and its appendixes, Directors are elected or replaced by the general meeting. The shareholders of the Company, the Board or the Nomination Committee are/is eligible to nominate candidates for directorship. The term of office for Directors is three years, and upon expiry of the term, their appointment is subject to re-submission for consideration at a general meeting and they may offer themselves for re-election. Independent Directors are eligible for re-election, subject to a maximum term of six years. A cumulative voting system is adopted for the election of the Directors of the Company, and the Independent Directors and Non-independent Directors vote separately. The requirements of the Company on the qualifications and basic qualities of the Directors, the ways of nomination and the proposing procedures are set out in the Rules of Procedures for the Board of Directors of the Company. The Nomination Committee is responsible for qualification inspections and quality assessments on the candidates for directorship, as well as making proposals to the Board and providing explanations at the general meetings. In order to make the shareholders have a better understanding of the procedures of nomination of Directors, the Company has extracted the relevant clauses for the procedures of nomination of Directors separately and has posted them on the Company's H-share market website. The term of office of the members of the ninth session of the Board Committee of the Company expired on 31 December 2023. As the nomination of candidates for the new Board has not been completed, the term-end election of the new Board Committee will be postponed. As such, Provision B.2.2 of the Corporate Governance Code which stipulates that each director (including directors with a designated term of office) shall retire by rotation at least once every three years was not complied with.

B.3 Nomination Committee

The code provisions that we complied with	B.3.1~B.3.5

The Board has established the Nomination Committee with the majority being Independent Directors, including at least one Director of a different gender, and chaired by an Independent Director. Please refer to C.4 below and "Corporate Governance Summary" in this annual report for the details of the composition of the Nomination Committee and its performance of duties. The The Nomination Committee Working Regulations approved by the Board has been published on the websites of the exchanges and the Company's H-share market website. The Company provided the committee with sufficient resources for its performance of duties. During the Reporting Period, the Nomination Committee did not seek for independent professional advice for the performance of duties.

During the Reporting Period, the Nomination Committee successively conducted reviews on the qualifications of Mr. Xu Enli, Ms. Wu Yanling, Ms. Zhang Jian, Mr. Chen Yunjiang, Ms. Jin Zhenyuan and Mr. Hou Shenghai, and made nominations to the Board, among which:

– Mr. Xu Enli, Ms. Wu Yanling and Ms. Zhang Jian were elected and appointed as Directors at the general meeting on 9 January 2025, and had respectively obtained the legal advice issued by a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules on 8 January 2025, 8 January 2025 and 9 January 2025,, confirming that they understood their obligations as directors of a listed company.

– Mr. Chen Yunjiang was elected and appointed as a Director at the general meeting on 30 June 2025, and had obtained the legal advice issued by a law firm qualified to advise on Hong Kong law on the same day pursuant to Rule 3.09D of the Listing Rules, confirming that he understood his obligations as a director of a listed company.

– Ms. Jin Zhenyuan and Mr. Hou Shenghai were elected and appointed as Directors at the general meeting on 17 December 2025, and each had obtained the legal advice issued by a law firm qualified to advise on Hong Kong law on the same day pursuant to Rule 3.09D of the Listing Rules, confirming that they understood their obligations as directors of a listed company.

C. The Responsibilities of Directors, Delegation of Powers and Procedures of the Board

C.1 Responsibilities of Directors

The code provisions that we complied with	C.1.1~C.1.7

The Rules of Procedures for the Board of Directors, the Working Rules of each specialised committee and the Rules on Performing Duties by the Independent Directors prepared by the Company has clearly stated the responsibilities of the Directors to ensure their complete understanding on their roles and responsibilities.

Attendance of Directors (including attendance by appointing other Directors as proxies) at the Board meetings in 2025 was 100%, while attendance in person was 94%. Attendance in person at the meetings of the specialised committees of the Board (including the meetings of the Independent Directors) was 92%. Attendance in person of Directors at the general meetings was 93%. Please refer to "Corporate Governance Summary" in this annual report for the details of the attendance of Directors and the overview of the performance of duties of the Independent Directors during the Year.

During the Reporting Period, the Company's Directors attended Board meetings and specialised committee meetings in a prudent, responsible manner. After gaining an understanding of the Company's operations and business developments, they leveraged their respective professional experience and expertise to provide independent suggestions and opinions on the matters discussed, enabling the Board to carry out effective discussions and make prompt yet prudent decisions. They played a positive promoting role in ensuring the Board to work in the best interest of the Company.

Upon the acceptance of the appointment and after the appointment, each Director of the Company has to provide the information about their services in other companies in time, including their services in other listed companies for the last three years. The relevant information has been disclosed in the announcements and the shareholder documents relating to the nomination and election of the Directors, and is available in the section of "Directors, Senior Management and Employees" in this annual report.

In accordance with the Model Code for Securities Transactions by Directors of Listed Issuers of the HKEx, and other relevant requirements of securities regulatory authorities where the Company's stocks are listed, the Board formulated the Securities Transaction Code of the Company as an institutional guideline for securities transactions of the Company by the Directors and relevant staff members. The Securities Transaction Code of the Company has incorporated the standards as set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the HKEx, and has gone beyond such standards to a certain extent. After making specific inquiries to all of the Directors and senior management, the Company confirms that all of them have complied with the provisions of the above-mentioned rules regarding securities transactions during the Reporting Period.

The above measures allows the Board Committee to continuously and effectively learn the relevant regulations and guidelines promulgated or updated by regulatory authorities, and provides practical support for the continuous updating of the knowledge and information required for the performance of their duties as Directors.

As approved and authorised by the general meeting, the Company has taken out liability insurance for the Directors, and senior management every year since 2008, and making adequate insurance arrangements against the legal risks that such persons may face in the performance of their duties, in order to promote the Company's resilience to risk, protect the legal rights and interests of the shareholders, and build a professional risk prevention mechanism for the management.

C.2 Chairman and Chief Executive Officer

The code provisions that we complied with	C.2.1~C.2.9

The Company clearly defines the duties between the Chairman and the President, so that the functions of the Board and management are separated to ensure the balance of power and authority.

There was no connection or interest relationship (including financial, business, family or otherwise) between the Chairman and the President of the Company. Based on the duties defined by the Company, the Chairman is responsible for leading and coordinating the work of the Board, leading the Board to set the Group's overall development strategies and to achieve the strategic goals, and ensuring the effective operation of the Board and standardised corporate governance. The President, under the leadership of the Board and with the assistance of other senior management of the Company, is responsible for coordinating and managing the Group's businesses and operations, implementing strategies and decisions formulated by the Board, making day-to-day operating decisions and arrangements, etc.

The Board has established an information reporting and submission mechanism to ensure that the Directors can obtain various information and messages required for their performance of duties on a timely basis. Please refer to C.5 below for details.

The Board encourages directors to maintain a cautious attitude and create an open discussion atmosphere, encouraging directors with different opinions to fully express their views and opinions, and promoting directors, especially Non-executive Directors, to make objective and prudent decisions on board deliberations, in order to make effective contributions to the Company's strategy and policy formulation. At the beginning of 2026, one special meeting was convened by the Company for the Chairman, and the Independent Directors to fully discuss the Company's operational management, corporate governance, future development strategy, etc. The Company has set up a well-established governance structure and formulated multi-tier governance rules. Please refer to "Corporate Governance Summary" in this annual report and A.1 above for details.

C.3 Management functions

The code provisions that we complied with	C.3.1~C.3.3

The functions of the Board and senior management of the Company are separated (as detailed in the Articles of Association, and the attached Rules of Procedures for the Board of Directors and Rules on Performing Duties by the President) to protect the relative independence of decisions of the Board from operational management activities of the Company. The above rules have been published on the websites of the exchanges and the Company's H-share market website.

The Board is responsible for leading the Group's development, setting strategic goals and leading the availability of necessary resources for the Group to achieve the pre-set strategic goals. The Articles of Association of the Company and the Rules of Procedures for the Board of Directors clearly define the powers of the Board, and matters to be submitted to the Board for approval; the Articles of Association and the Rules on Performing Duties by the President define the powers of the management. The Company strictly follows the corporate governance system to make decisions on business activities and fulfil corresponding approval procedures.

Without material prejudice to or impairment of the overall capability to perform duties and authorities of the Board, the Board has granted certain authorities to the Executive Directors, so as to enhance the decision-making efficiency and ensure the timely conduct of the business. The Board has also formulated the Rules of Procedures for the Executive Directors to monitor and manage authorised matters by establishing a mechanism on procedural management, timely filing and regular reviews. Specific information and management procedures relating to authorisation have been clearly set out in the Articles of Association and the Rules of Procedures for the Board of Directors. In 2025, the Executive Directors held 5 meetings in total, during which they discussed and made decisions on matters regarding bank account opening, asset assessment filing, external donations, etc. within their authorisation. Resolutions for such matters have been reported to the Board in time.

C.4 Committees under the Board

The code provisions that we complied with	C.4.1~C.4.2

Five specialised committees have been set up under the Board, and each committee has its Working Rules, which explicitly explain and define their duties and powers, and they have been approved by the Board. These specialised committees are responsible for reviewing and monitoring specific matters of the Company, such as the Company's strategies, financial reports, accounting policies and estimates, internal control system operation, project investments, risk management, nomination of directors and executives, evaluation and remuneration, etc., and making corresponding suggestions to the Board. As at the end of the Reporting Period, the composition of each specialised committee of the Board of the Company is set out as follows:

	Strategy and Investment Committee	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Risk Management Committee
Chairman::	Xu Enli **Executive Director**	Li Feilong **Independent Director**	Yan Yan **Independent Director**	Miao Jun **Independent Director**	Xu Huaxiang **Independent Director**
Member:	Liao Xiangwen **Executive Director**	Miao Jun **Independent Director**	Xu Huaxiang **Independent Director**	Li Feilong **Independent Director**	Yan Yan **Independent Director**
	Chen Yunjiang. **Non-executive Director**	Yan Yan **Independent Director**	Jin Zhenyuan **Executive Director**	Xu Huaxiang **Independent Director**	Liao Xiangwen **Executive Director**
	Hou Shenghai **Non-executive Director**	Wu Yanling **Non-executive Director**		Xu Enli **Executive Director**	Yao Hai **Executive Director**
	Miao Jun **Independent Director**			Jin Zhenyuan **Executive Director**	Jin Zhenyuan **Executive Director**

Each specialised committee receives work support from the corresponding functional department of the Company, and has appointed the head of that department to be the secretary of the committee. Each specialised committee has defined the procedures for meetings and reporting in accordance with the Rules of Procedures for the Board of Directors. The meeting minutes of the committees contain the details of the matters discussed in the meetings and are maintained properly according to the file management system of the Company upon the confirmation of all members. The chairman of each committee reports the work progress to the Board regularly and submits the relevant minutes for record. In 2025, the five specialised committees of the Company convened 17 meetings in total. For details, please refer to "Corporate Governance Summary" in this annual report.

C.5 Procedures of Board meetings and provision of and access to data

The code provisions that we complied with	C.5.1~C.5.10

The Board holds one regular meeting each quarter and convenes extraordinary meetings when necessary. The Company has issued a written notice to all Directors in respect of the date and proposals to be submitted 30 days before each regular meeting is convened, so as to ensure that they can propose issues to be discussed and include them in the agenda. Formal notices of all regular meetings have been dispatched to all Directors at least 14 days before the meeting is convened, while notices of extraordinary meetings have been dispatched at least five days before the meeting is convened. If a substantial shareholder or a Director has material conflict of interest in the issues to be discussed, the Company shall hold a plenary Board meeting for consideration of such resolution and shall not approve the same by a written resolution or authorisation. When considering the related issues, any Director who is connected or interested in the same shall not have any voting rights and shall be absent when necessary.

In 2025, the Board convened nine plenary meetings, five Executive Directors' meetings and signed four written resolutions of the Board. It has discussed and made decisions on issues covering the Group's financial reporting, operational analysis, budget execution, annual risk management planning, regular review and monitoring, business development and challenges, investment and financing plans, changes to accounting estimates, director nomination, senior management appointment, remuneration, performance, etc. During the Reporting Period, when considering proposals, the Directors who had material interest in the same had complied with the avoidance principle and abstained from voting. For example, when the Board was reviewing the proposal related to the performance targets setting and evaluation results of the management team, all relevant directors abstained from voting.

The meeting minutes of the Board and Board committees contain the details of the matters discussed in the meeting, which include the questions and suggestions proposed or the consent or objection expression by each Director, and the final voting results of the Board. The draft meeting minutes shall be delivered to all Directors for comments within a reasonable time after each meeting. The final version shall be maintained properly according to the file management system of the Company and a copy of which shall be delivered to all Directors for filing. The meeting minutes are also available for Directors' access at any time through the Secretary to the Board.

According to the consideration and decision-making needs, the Company may engage the professional institutions including the accountants firms, lawyers firms and assessment institutions based on the actual situation to issue written report for Directors' review. In addition, in accordance with the Rules of Procedures for the Board of Directors and the relevant requirements, the Directors and the specialised committees may engage professional institutions or professionals through established procedures to obtain professional advice, and the fees so incurred shall be borne by the Company. To ensure the independence of professional institutions, specific selection and employment work is conducted by the independent Board committee for the engagement of independent financial advisors for connected transactions. Selection and employment require approval by a majority of votes of the members, and the members with a connection or conflict of interest are required to abstain.

The management of the Company has provided the Board and the specialised committees of the Board with the materials and information necessary for the consideration of each proposal within a reasonable period. After the Directors have raised reasonable inquiries, the management shall make response or provide further information as soon as possible. Under normal circumstances, relevant documents containing matters to be proposed for consideration or discussion by the Board shall be delivered to all Directors at least three days before the meeting. In addition, each Director is provided with channels to independently contact and communicate with the Company's senior management and secretaries of the specialised committees when necessary.

The Non-executive Directors (including Independent Directors) of the Company are able to understand the Company's operation activities and business development trends, and their duties as the Company's Directors through several channels to ensure their proper performance of such duties. During the Reporting Period, the Company supported the performance of duties of the Directors in the following ways:

- Reported the progress of the material matters of the Group on the meetings of the Board;

- Arranged dedicated sessions for operational analysis reporting in Board meetings for considering annual, semi-annual, and quarterly performance results, where the management team provides a detailed report on the completion of the Group's current work, next stage work plan, budget execution, operational and financial status, as well as the progress of major tasks including project construction, project investment and capital operations;

- Organised the Directors to conduct on-site inspections of highway projects in operation to support them gain a deeper understanding of the Group's relevant businesses and a clearer comprehension of the Group's strategic layout and development prospects;

- Dispatched Operation Information Monthly to the Directors, which regularly reports information such as the operation performance of highway projects, the progress of construction projects and major tasks, updates on investees, monitoring of the early warning indicators of financial risks and work progress during adjournments of Board meetings;

- Arranged the Directors to participate in the trainings held by securities regulatory authorities, industry associations, and state-owned asset management departments, regularly delivered the Regulatory Information Summary to the Directors, and provided consultation of laws and regulations for the Directors in need, allowing them to comprehensively and systematically understand the relevant regulatory requirements and governance principles of the company's stock listing location;

- Keep tracking the implementation status or progress of resolution matters of the general meeting, Board, and executive Board. This information is presented to all Directors as part of the board meeting materials before each Board meeting and reported at each board meeting. The Board understands the implementation and execution of Board decision-making matters timely through such arrangements, so as to urge the management and adjust decisions based on the actual situation when necessary.

C.6 Company Secretary

The code provisions that we complied with	C.6.1~C.6.4

The Company shall appoint a Secretary to the Board. The Secretary to the Board of the Company, who is appointed by the Board and reports to the Chairman of the Board for daily routines, is a senior management member of the Company. The Secretary to the Board is responsible for the communication and coordination among the Company, Directors and the shareholders, overseeing the drafting of corporate governance system documents, information disclosure, and investor relationship management. The Secretary to the Board of the Company is Ms. Zhao Guiping. From 1 January to 22 August 2025, the Joint Company Secretaries of the Company were Ms. Zhao Guiping and Ms. Lam Yuen Ling Eva. Since 23 August 2025, the Company Secretary of the Company has been Ms. Zhao Guiping. In 2025, Ms. Zhao Guiping has completed not less than 15 hours of related training sessions in total so as to keep her professional knowledge and skills up-to-date.

The Secretary to the Board is also responsible for providing applicable regulations, regulatory requirements, and other relevant information and updates, arranging training for the Directors to ensure compliance with the procedures of the Board and applicable laws, rules and regulations, and providing support for the Directors to perform their duties compliantly; all Directors can directly contact the Secretary to the Board individually and independently to obtain more detailed information, and the Secretary's opinions on governance matters.

D. Audit, Internal Control and Risk Management

D.1 Financial reporting

The code provisions that we complied with	D.1.1~D.1.4
The recommended best practice(s) that we complied with	D.1.5~D.1.6

In the regular financial reporting over the years, the Board made efforts to comply with the requirements of the relevant laws and the Listing Rules and prepared documents and disclosed information under the principle of more and stricter as possible so as to fit the regulatory requirements of both Shanghai and Hong Kong securities markets. On this basis, the Company took the initiative to understand what the investors focused on, carried out more targeted voluntary information disclosures, striving to make comprehensive, objective and clear statements on status and prospects of the operation and management of the Group. Apart from an analysis on the operational and financial positions and the major factors affecting the business performance, the Company also provided the information in relation to the risks that are faced in operating activities, responsive measures, development strategies and outlook plans, etc. in annual reports to deepen investors' understanding on the Company's business, management and development trends. The Company has also prepared and published reports on quarterly results within one month upon the conclusion of the first quarter and the third quarter each year in compliance with the requirements of the CSRC and the SSE. The Board shall be able to assess the Company's performance and make decisions on the basis of fully understanding the required information. Please refer to C.1 and C.5 above for details of information provision and support.

Statement of the Board's Responsibilities for the Financial Statements:

The financial statements contained in this annual report were prepared in accordance with CASBE, and have been audited by the Company's auditor for the year – Deloitte Touche Tohmatsu Certified Public Accountants LLP ("Deloitte"). This statement intends to make clarification to our shareholders for the respective responsibilities of the Directors and the auditor of the Company in relation to the financial statements. It should be read together with the statement of responsibilities of the auditor set out in the Auditor's Report of this annual report.

It is in the Board's opinion that the financial statements are prepared on a going concern basis given that the resources available to the Company are sufficient for carrying out on-going business operations in the foreseeable future. Appropriate accounting policies have been adopted in preparing the financial statements. These policies comply with the relevant provisions of the Chinese Accounting Standards for Business Enterprises and adhere to the principle of consistency. It is the responsibility of the Directors to ensure that the account records prepared by the Company can reflect a reasonable and accurate view of the Company's financial positions and operating results, and that the financial statements are in compliance with the requirements of relevant accounting standards.

D.2 Risk Management and Internal Control

The code provisions that we complied with	D.2.1~D.2.4

The Board confirms its responsibility for the Company's risk management and internal control systems, and further confirms that these systems are adequate and effective in achieving the objectives set out in Principle D2 of the Corporate Governance Code. To this end, the Risk Management Committee has been established, which is chaired by an Independent Director. Please refer to C.4 above and "Corporate Governance Summary" in this annual report for details of the composition of the Risk Management Committee and its performance of duties. The Terms of Reference of the Risk Management Committee approved by the Board has been published on the websites of the exchanges and the Company's H-share market website. The Company provided the committee with sufficient resources for its performance of duties. During the Reporting Period, the Risk Management Committee did not seek for independent professional advice for the performance of duties.

Having a comprehensive and practical internal control system is the basis of good corporate governance. The Company has established a relatively sound internal control system, with the Board responsible for monitoring the effectiveness of important control procedures in finance, operations, compliance and risk management. During the Reporting Period, the Board carried out reviews on the soundness and effectiveness of the internal control system of the Group and approved the "2025 Internal Control Evaluation Report", which included but not limited to the aspects required by D.2.3 of the code provisions. In addition, the Company engaged auditors to audit the effectiveness of internal control relating to the financial reporting of the Company and issued an "Internal Control Audit Report," providing the Board with independent and objective assessment and recommendation on internal control. Please refer to "Internal Control" in this annual report for the details of the establishment of the internal control and risk management system of the Company, the Statement of the Responsibilities of the Board, the self-assessment, key deficiencies (if any) and the audit.

The Company has established the Audit Department, and has carried out an independent internal audit system, and conducted supervision, audit, and evaluation of the Group's operating and management activities and the effectiveness of the internal control system. Internal audit personnel have the authority to access all information about the Company and make inquiries to relevant personnel at work. The General Manager of the Audit Department reports the result of his work to the Audit Committee, and the Audit Committee will then make recommendation to the Board of Directors or management of the Company and examines the implementation of the rectification plan through follow-up inspection.

The Board has established the Anti-fraud Work Regulations, and specified the key areas of anti-fraud work and the division of responsibilities, fraud prevention and control, procedures for accusing, investigating, handling and reporting on fraud cases. The Audit Committee and the Audit Department have set up hotlines and email boxes for reporting, and posted them on the internal and external websites of the Company. During the Reporting Period, the Audit Committee communicated with the auditor of the Company in relation to the fraudulent risk and control measures in order to understand the recommendation of internal control proposed by the auditor and the Audit Department and the feedback and the rectification and improvement of the management, investigate the reports/complaints against the Company or the management from the perspective of internal control and provide continual guideline and supervision on the anti-fraudulent work of the Company.

D.3 Audit Committee

The code provisions that we complied with	D.3.1~D.3.7

The Board has established the Audit Committee comprising Non-executive Directors, with the majority being Independent Directors and chaired by an accounting professional among the Independent Directors. The Audit Committee is responsible for the review and supervision of the financial accounting policies, the compliance of financial reporting; the evaluation of the soundness and effectiveness of the internal control system of the Company, supervision of fraudulent risk and management measures of the Company; responsible for the coordination with the work of the auditor and the evaluation of its efficiency and quality of work as well as its engagement; the review on the internal audit report and the management's rectification measures and implementation status; and auditing the Company's control of connected transactions and daily management. Works falling under the scope of risk management are handled by the Risk Management Committee under the Board. Please refer to C.4 above and "Corporate Governance Summary" in this annual report for details of the compositions of the Audit Committee and Risk Management Committee, and their respective performance of duties. The Audit Committee Working Regulations approved by the Board has been published on the websites of the exchanges and the Company's H-share market website. The Company provided the committee with sufficient resources for its performance of duties. During the Reporting Period, the Audit Committee did not seek for independent professional advice for the performance of duties.

The committee reviewed the periodic financial statements for the year 2025 and made recommendation to the Board for approval. The specific works of the committee included the following:

◆ The committee reviewed the interim and the quarterly financial statements of the Group, received the report on the review/agreed-upon procedures from the auditor and discussed the handling methods of significant financial and accounting matters with the management and the auditor.

◆ Before the annual audit, the committee held meetings with the auditor and discussed the composition of its audit team members, risks of the year, scope of audit, method of audit, focus of audit and the schedule for the annual audit in order to understand the overall audit arrangements of the annual financial statements of the Company.

◆ During the annual audit process, the committee maintained on-going communication with the management and the auditor, and discussed and confirmed how to handle significant financial and accounting matters of the Group, the appropriateness of the accounting policies adopted and the reasonableness of the accounting estimates and changes.

◆ The committee supervised the completion of the annual audit by the auditor as scheduled and reviewed the Group's annual financial statements and issued its written opinions. The Audit Committee held two meetings in early 2026 (up to the Reporting Date), and held a separate communication meeting with the auditor in the absence of the Company's management to ensure the objectivity and independence of the auditor's opinions. Based on the results of relevant work and with reference to the audit opinions of the auditor, the committee is of the view that the Group's 2025 annual financial statements truthfully and reasonably reflected the operating results and financial position of the Group for the year, and thus recommend the Board to approve the same.

Report on the auditors:

Upon approval by the general meeting, the Company has appointed Deloitte as its auditor for the year 2025 to audit the annual financial reports and internal control, and assume the due duties of an international auditor as specified in the Listing Rules of the HKEx. Deloitte had been appointed by the Company as its statutory auditor from 2021, which has provided audit services to the Group for five consecutive years. The remunerations of the Company's auditor for the year 2025 are set out as follows:

(Unit: RMB'000)	2025	2024
Financial statements audit/review fees	**3,160**	2,980
Internal control audit fees	**450**	450
Other	**430**	2,188

Notes:

1 The auditor has submitted to the Company a written confirmation letter in respect of the total amount of the aforementioned remunerations.

2 Other services provided by Deloitte in 2025 included capital verification and the issuance of declaration documents, etc.

Save as disclosed above, a total of 74 wholly-owned or controlled subsidiaries of the Company, including Bay Area Development, have separately engaged several accounting firms, such as KPMG, to provide annual financial statement auditing services. The audit fees for the year 2025 were RMB2.15 million and HK$50,000.

The Audit Committee is responsible for supervising and evaluating the completion of the annual audit and the practising quality of the auditor, making recommendations to the Board in respect of the appointment or replacement of the auditor. And Board of Directors submits these to the general meeting for the approval or authorisation. According to the requirements of the Management Measures for the Selection of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4) jointly issued by the Ministry of Finance, the SASAC of the State Council, and the CSRC, the Company evaluated the audit work and practising quality of Deloitte in 2025, and issued an evaluation report; the Audit Committee supervised Deloitte's audit performance in 2025 and issued a special report. The Audit Committee is of the view that Deloitte has performed well across various dimensions, including its independence and objectivity, technical expertise, the quality and efficiency of financial disclosure review, and effectiveness of communication with the Company. For details, please refer to the Evaluation Report on the Performance of Duties by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership), and the Report on the Supervision of the Performance of Duties by Accounting Firms by the Audit Committee of the Board of Directors, disclosed by the Company on the websites of the SSE (http://www.sse.com.cn), the HKEx (http://www.hkexnews.hk) and the Company's H-share market website (https://expressway.aconnect.com.hk).

E. Remuneration

E.1 Standard, composition and disclosure of remuneration

The code provisions that we complied with	E.1.1~E.1.5
The recommended best practice(s) that we complied with	E.1.6~E.1.9

The Board has established the Remuneration and Assessment Committee, with the majority being Independent Directors, and chaired by an Independent Director. Please refer to C.4 above and "Corporate Governance Summary" in this annual report for the details of the composition of the Remuneration and Assessment Committee and its performance of duties. The Remuneration and Assessment Committee Working Regulations approved by the Board has been published on the websites of the stock exchanges and the Company's H-share market website. The Company provided the committee with sufficient resources for its performance of duties. During the Reporting Period, the Remuneration and Assessment Committee did not seek for independent professional advice for the performance of duties.

The Company has disclosed the remunerations of each Director, Supervisor and senior management member on a named basis. Please refer to the section headed "Directors, Senior Management and Employees" in this annual report for the details of the remuneration policy of the Directors, the appraisal and incentive mechanism of the senior management and the remuneration of Directors and senior management for the Year.

F. Shareholder Engagement

F.1 Effective communication and conduct of general meetings

The code provisions that we complied with	F.1.1

The Company has been complying with the principle of equal treatment of all investors, and established a smooth communication channel with investors while observing various regulations relating to information disclosure by maintaining an effective two-way communication with investors through various channels. Please refer to "Investor Relations" in this annual report for details.

F.2 General meetings

The code provisions that we complied with	F.1.2~F.1.4

The Company encourages all shareholders to attend the general meetings. In 2025, three general meetings were held by the Company. For details, please refer to "Corporate Governance Summary" in this annual report.

The Company issues a notice of at least 20 days prior to the date of an annual general meeting or at least 15 days prior to the date of an extraordinary general meeting, and provides the shareholders with any information necessary for them to attend and make decisions at the meeting. Each separate matter in substance submitted to the general meeting for consideration is put forth respectively as a separate resolution. According to the Articles of Association of the Company, eligible shareholders of the Company have the right to call general meetings in accordance with the prescribed procedures, propose impromptu motions or collect voting rights from other shareholders. According to the Articles of Association, shareholder(s) who hold 10% or more of the Company's voting shares may convene an extraordinary general meeting by a written request. The Board has to convene an extraordinary general meeting within two months after receipt of such written request. In addition, shareholder(s) who individually or jointly hold more than 3% of the Company's shares with voting right may request to include new resolution(s) at the forthcoming general meeting of the Company by writing. The content of such resolution(s) should be within the authority of the general meeting, with clear topics and specific matters to be resolved, and comply with relevant requirements under the laws, regulations and the Articles of Association. The Company shall include such matter(s) of the new resolution(s) which is within the authority of the general meeting in the agenda of the forthcoming general meeting; A cumulative voting system is adopted for the election of the Directors by the shareholders. These arrangements are made to protect the rights of minority shareholders and encourage them to fully express their opinions. The specific procedures and requirements of the aforementioned arrangements are set out in details in the Articles of Association of the Company and the attached Rules of Procedures for General Meetings. The full texts of the Articles of Association and the Rules of Procedures for the General Meeting are available on the Company's H-share market website.

During the Reporting Period, the Directors, President, Chief Financial Officer, Board Secretary and other relevant senior management personnel as well as the chairmen of the specialised committees under the board or their representatives, attended the shareholders' meeting to answer inquiries from the shareholders when necessary.

At a general meeting, all shareholders present are entitled to make inquiries to the Directors and management regarding issues in relation to the proposals. At any other time other than at the general meeting, the shareholders may make their inquiries and express their opinions to the Board or the management by calling the investor hotline of the Company or in writing (including facsimile, letter, e-mail, online message, etc.). The Company has published detailed methods of contact through its website, notices of the general meeting, circulars to the shareholders and annual reports for the shareholders to express their opinions or make any inquiries. The Board has formulated the Rules of Investor Relationship Management and the Standards of Work for Investor Relationship Management, which clearly defines the principles, responsible person, methods and standards of work for the continuous communication with the shareholders. For specific details on the implementation of the Company's investor relations management work during the Reporting Period, please refer to the content of this year's report "Investor Relations".

The Company has formulated the Rules of Procedures for General Meetings, which clearly set out the voting method and procedure at general meetings to ensure compliance with the Listing Rules of the stock exchange where the Company's shares are listed and the Articles of Association of the Company.

In the meeting materials of the general meeting, the Company provided detailed explanations on the filling out method of the voting form, shareholder rights, voting procedures, and vote counting methods to ensure that shareholders can fully understand the specific voting methods and procedures. A shareholder who is unable to attend the general meeting in person may appoint his or her proxy (the proxy needs not to be a shareholder of the Company) to attend and vote at the general meeting.

Amendments to the Articles of Association

In 2025, to further standardise its operations and enhance corporate governance, the Company amended the Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedures for the Board of Directors in accordance with the provisions under the Company Law, the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law, the Guidelines for Articles of Association of Listed Companies, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Administrative Measures for Independent Directors of Listed Companies and the Rules for General Meetings of Listed Companies promulgated by China Securities Regulatory Commission, the Listing Rules of HKEx, and other laws and regulations, as well as regulatory documents, taking into account the actual circumstances of the Company. The Company ceased to set up a Supervisory Committee or the position of Supervisors, and vested the statutory powers of the Supervisory Committee under the Company Law in the Audit Committee. Consequently, the Rules of Procedures for the Supervisory Committee were abolished. Such matters were reviewed and approved at the Company's second extraordinary general meeting of 2025 on 17 December 2025. The revised Articles of Association, Rules of Procedures for General Meetings and Rules of Procedures for the Board of Directors are available for viewing or download on the Company's H Share market announcement website. Save as disclosed above,, there were no other changes to the Company's constitutional documents during the Reporting Period.

Dividend policy

The Company is committed to establishing a scientific, sustainable, and stable dividend distribution mechanism to reward its investors. According to the Articles of Association, in principle, the Company distributes cash dividends once a year provided that conditions for cash dividend distribution are satisfied. The annual distribution of cash dividends shall not be less than 20% of the distributable profits realised for the year, and the cumulative distribution of cash dividends in three consecutive years shall not be less than 30% of the total distributable profits realised during that period. Pursuant to the Shareholders' Return Proposal for 2024-2026 approved by the general meeting of the Company, provided that the conditions for cash dividend distribution are met, and the capital requirements for the Company's normal operation and development are satisfied, the Company targets a cash dividend payout of no less than 55% of the net profit attributable to shareholders of the parent company in the consolidated financial statements for the same year after deducting the distribution payable to the holders of other equity instruments (if any) such as perpetual bonds every year from 2024 to 2026. When deciding whether to declare, recommend or pay a dividend, the Board considers a number of factors, including shareholders' expectations and preferences regarding returns, the Company's strategic development plan and developmental stage, current and future profitability, financial position and cash flow status, capital requirements, cost of social capital and financing conditions. The Board confirms that all dividend decisions during the Reporting Periods were deliberated and made in strict compliance with the Company's aforementioned dividend policy. The final dividend for 2025 did not materially deviate from the dividend payout ratio of the corresponding period in the prior year.

For details about total number of shares, types of shareholders, major shareholders, and public float regularly disclosed by the Company, please refer to "Share Capital and Shareholders" in this annual report.

Internal Control

I. Statement of Responsibilities towards Internal Control

It is the responsibility of the Board of the Company to develop, improve and effectively implement internal control, assess its effectiveness and accurately disclose internal control assessment reports. The Audit Committee shall supervise the establishment and implementation of internal control by the Board. The management shall be responsible for organising and leading the daily operation of the Company's internal control.

The internal control objectives of the Company are to reasonably ensure that its operations and management are in compliance with the relevant laws and regulations, its assets are managed in a sound manner, and its financial reports and relevant information are truthful and complete, to enhance its operational efficiency and results and facilitate the fulfilment of its development strategy. Since internal control has inherent limitations, it can only provide reasonable assurance for achieving the aforementioned objectives. Moreover, as changes in the circumstances may render internal control inappropriate, or reduce the degree of compliance with control policies and procedures, it carries certain risks to make predictions about the effectiveness of internal control in the future based on the results of internal control evaluation.

The purpose for the establishment of the internal control system is to manage the potential risks as it is unrealistic to eliminate all risks. Meanwhile, the coverage of internal control shall be in line with the Company's operating scale, business scope, competition condition and risks levels, and shall be timely adjusted to reflect the change of circumstances. In the future, the Company will continue to improve its internal control system, regulate its implementation, strengthen internal control supervision and inspection, and promote the healthy and sustainable development.

II. Establishment of the Internal Control System

The Company always focuses on the standardisation of its internal management. It has established a comprehensive management system and the practical rules for various layers of business operation and management to ensure the standardisation and efficiency of the Company.

As required in the Basic Standard for Enterprise Internal Control jointly issued by five ministries and commissions including the Ministry of Finance and CSRC, and the requirements set out in various internal control application guidelines, the Company has prepared its own internal control manual to identify the define key priorities. In addition, the Company has formulated the Quality Control Procedures for Internal Control Assessment, setting out the measures for internal control testing and defect assessment, assessment procedure, preparation of internal control assessment reports, and disclosure procedure in order to standardise the Company's internal control assessment.

In order to establish a sound internal control system and keep it effective, the Company has considered five major basic aspects of internal control, namely control environment, risk assessment, control activities, information and communication, and supervision.

Component	Description	Control objectives
Control environment	To determine the tone of the organisation to influence people's attitude towards internal control. It includes the structure of the Board of Directors, the management's business ethics and integrity, management philosophy and operating style, the mode of distribution of rights and responsibilities, human resource policies and the competence of personnel etc.	✓ Legal compliance management
Risk assessments	To assess the risks associated with achieving the goals as the foundation of establishing the internal control system for the risk management.	✓ Security of asset
Control activities	To help the management ensure that policies and procedures are implemented in the instructions and intentions. It includes a series of activities, such as approval, authorisation, confirmation, adjustment, check, regular inventory, the division of responsibilities, asset security and so on.	✓ True and complete financial reports and related information
Information and communication	Information should be identified, acquired and transferred in an appropriate manner. Must maintain a broad and smooth transfer within the Company as well as establish the effective communication with external parties, such as customers, suppliers, government and shareholders.	✓ Improvement of operational efficiency and effectiveness
Supervision	It includes continuous supervision, independent assessment, or combination of the two ways. Internal control deficiencies should be reported to the one who has the ability to solve the problem, including the management and the Board of Directors.	✓ Promoting the realisation of the development strategy

III. Risk Management

The Company improves its management capability and adaptability, and further ensures the realisation of the business objectives and sustainable steady growth through active and systematic identification, assessment and response to risk issues arise in the operation process. The Company has formulated the Procedures for Risk Control and Management to define the risk assessment model and the risk evaluation criteria, and qualitative and quantitative evaluation was carried out to assess risks from two dimensions: probability and impact, so as to determine the levels of risk. In preparing the annual work plans, those major risks that may affect the achievement of the annual business objectives were identified, analysed and assessed by each unit of the Company, and corresponding risk response measures and annual risk management plan for each unit were formulated. In combination with the Company's annual business objectives and company strategy, the management determined the Company's key areas for annual risk management, and reviewed and assessed the implementation of the risk management plan on a quarterly, semi-annual, and annual basis. Meanwhile, the Company has formulated reporting mechanisms for major risk emergency events and regular material risk matters to strengthen the supervision on major risk events. In addition, the Company also monitored the warning indicator system regularly according to the Management Rules on the Warning of Financial Risks, and reported the monitoring results to the management, Risk Management Committee and Board hierarchically to enable the board to continuously supervise and confirm the effectiveness of the risk management system.

IV. The Supervision and Self-Assessment of the Internal Control Systems

The Board focuses on the five basic elements of the internal control and continues to supervise and review the effectiveness of the Company's internal control system through the Audit Committee and its subordinate Audit Department. The Audit Department independently reviews, supervises and evaluates internal control activities regularly and whenever necessary based on possible risks and degrees of importance involved in various businesses and procedures of the Company and directly reports to both the management and the Audit Committee. Through the following tasks, the Audit Committee supervises and assesses the soundness and effectiveness of the Company's financial reporting and internal control system on an ongoing basis:

- Review and approve the annual Assessment Plan for Internal Control and internal audit work plan;
- Monitor the progress of internal control system establishment and evaluation tasks through daily routines, periodical summary and reports submitted by the Audit Department;
- Comprehend the method and scope of the internal control assessment tests and the key deficiencies identified during the tests and their correction;
- Discuss with the auditor the scope of audit, the audit results and audit opinions in respect of the audit of internal control;
- Review the annual Assessment Report for Internal Control and Internal Audit Special Report.

According to the relevant requirements of the Corporate Internal Control Standard System which is based on the Basic Standard for Enterprise Internal Control, along with the Company's internal control system and assessment measures, the Board had assessed the effectiveness of the Company's internal control during the reporting period and reviewed and approved the 2025 Assessment Report for Internal Control on 31 December 2025 (the base date of the Assessment Report) based on routine monitoring and special supervision, and confirmed that the company's risk management and internal control systems are sufficient and effective. Based on the identification standard of significant deficiencies in internal control of the company's financial reporting, as of the Assessment Report base date, there are no significant deficiencies in internal control of financial reporting. The board believes that the company has maintained effective internal control of financial reporting in all material aspects in accordance with the requirements of the enterprise's internal control standard system and relevant regulations; According to the identification standard of significant deficiencies in non-financial reporting internal control of the company, as of the Assessment Report base date, the company has not found any significant deficiencies in non-financial reporting internal control. Between the base date of the Assessment Report and the issuance date of the 2025 Assessment Report for Internal Control, the company has not experienced any factors that affect the conclusion of the internal control effectiveness evaluation.

The 2025 Assessment Report for Internal Control of the Company (Chinese version) has been published on the websites of the SSE (http://www.sse.com.cn), the HKEx (http://www.hkexnews.hk) and the H-share market website of the Company (https://expressway.aconnect.com.hk).

V. Description on Internal Control Audit Report

Deloitte Touche Tohmatsu Certified Public Accountants LLP appointed by the Company has audited the effectiveness of internal control relating to the Company's financial reporting, and issued an unqualified audit opinion. The audit report (Chinese version) has been published on the websites of the SSE (http://www.sse.com.cn), the HKEx (http://www.hkexnews.hk) and the H-share market website of the Company (https://expressway.aconnect.com.hk).

Investor Relations

The Company advocates a corporate culture that respects investors and holds itself accountable for investors. The Company establishes a smooth communication channel with investors and enhances mutual trust and interaction based on proper information disclosure and initiating various investor relation activities, and fully respects investors' rights of knowledge and option, while asserting to reward its shareholders.

I. Information Disclosure

Effective information disclosure serves as a vital bridge for communication and understanding between the Company and its investors, regulatory bodies, and the public, enabling a more thorough and widespread recognition of the Company's value. Adhering to the fundamental principles of openness, fairness, and impartiality, the Company strictly complies with relevant laws, regulations, and listing rules to fulfil its information disclosure obligations. It proactively identifies key concerns of investors and conducts targeted voluntary disclosures to enhance corporate transparency.

In 2025, the Company timely completed the preparation and disclosure of its annual, interim and quarterly reports, and published over 400 announcements and other shareholders' documents and materials in both English and Chinese, disclosing in detail information on various aspects such as the deliberations of the Board, the Supervisory Committee and general meetings, dividend distribution, communication with investors, corporate governance, financial conditions, and operating results, as well as investment and financing arrangements. The Company acted, on its own accord, to disclose its monthly operational statistics by way of announcements and added other voluntary information disclosures based on business progress. The Company also provided in-depth analyses on its operating and financial positions as well as the major factors affecting its business performance in its annual reports with a view to strengthening investors' understanding about the operation, management and development trends of the Company.

II. Ongoing Communication

In addition to fulfilling information disclosure obligations, the Company is committed to establishing and maintaining efficient two-way communication mechanisms with investors through diversified channels. On a compliant basis, the Company proactively communicates with investors on matters of their concern to enhance their understanding of the Company. Simultaneously, it widely solicits opinions and suggestions from investors, relays them to the management, and strives to continuously optimise the Company's governance structure and operational management system.

The Company attaches importance to investor relations management. During the reporting period, the Chairman, President, Independent Directors, Chief Financial Officer and Secretary of the Board, Vice Presidents, and the investor relations team of the Company actively participated in various communication activities to engage in direct communication with investors. The Company primarily conducts investor relations activities in the following forms:

◆ Disclosing the investor hotline and investor relations e-mailbox to promptly understand and respond to investor enquiries. In 2025, the Company responded to investors inquiries over 100 times via telephone, email, and website.

Investor Hotline: (86) 755-8669 8069
Investor Relations Email:
ir@sz-expressway.com
Company Website: http://www.sz-expressway.com
Company H-Share Website:
https://expressway.aconnect.com.hk

- Actively responding to investor's research requests, engaging with investors in an open manner on a compliant basis through a combination of offline and online channels, and continuously optimizing presentation materials based on investor focus areas. During the reporting period, the Company received over 20 batches of investor visits.

- Actively organising or participating in various forms of presentation activities in the A-share and H-share markets, including performance briefings, online investor exchange meetings, investor roadshows, and investor conferences organised by brokerages and intermediaries. To enhance the convenience and effectiveness of communication events, the Company's performance briefings are conducted simultaneously on-site and via live webcast, with replay and teleconference options available. The management introduces the Company's strategy, operating performance, and business plans, provides detailed explanations on issues of common concern to investors, highlights risks associated with uncertain matters, and ensures investors fully understand the operating conditions of each business segment. The Company also organises or participates in various roadshows and investor meetings based on market demands and business development needs to present the Company's operating status and assist investors in understanding its development strategy and management philosophy. During the reporting period, the Company completed four series of results release activities and participated in over 50 roadshows and investor meetings.

- Promptly updating information and materials related to the Group's operations and development. In 2025, the Company prepared and updated over 20 presentation materials regarding its performance and business progress, introducing investors to periodic operational management status and project performance and responding to issues of concern to investors.

- The Company also timely handled and replied to investors' messages through the "e-interaction" platform developed by the SSE for listed companies and investors.

The Company's Board of Directors has reviewed the implementation of the Company's shareholder communication policy for 2025. Considering the aforementioned communication channels and the communication initiatives already undertaken, the Board believes the shareholder communication policy was effectively implemented in 2025.

III. Shareholder Returns

The Company has been returning value to shareholders ever since its establishment and has distributed cash dividends for 28 consecutive years, with a cumulative cash dividend of approximately RMB15.056 billion.

The Board of Directors has proposed a cash dividend of RMB0.244 (tax inclusive) per share for the year 2025. The above proposal will be submitted to the Company's 2025 Annual General Meeting of Shareholders for approval. For details regarding the dividend, the Company's cash dividend policy, and its payment, please refer to the "Financial Analysis" section under "Discussion and Analysis of the Operations" in this annual report.

AUDITOR'S REPORT AND 2025 FINANCIAL STATEMENTS

Note: Sections marked with * in the notes to the financial statements are additional or more detailed disclosures made in accordance with the *Hong Kong Companies Ordinance* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.*

Auditor's Report

De Shi Bao (Shen) Zi (26) No. P03800

TO THE SHAREHOLDERS OF SHENZHEN EXPRESSWAY CORPORATION LIMITED,

I. OPINION

We have audited the financial statements of Shenzhen Expressway Corporation Limited ("Shenzhen Expressway Company"), which comprise the consolidated and Company's statements of financial position as at 31 December 2025, and the consolidated and Company's statements of profit or loss and other comprehensive income, the consolidated and Company's statements of cash flows and the consolidated and Company's statements of changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared and present fairly, in all material respects, the consolidated and Company's financial position of Shenzhen Expressway Company as at 31 December 2025, and the consolidated and Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Shenzhen Expressway Company in accordance with the *Independence Standards for Chinese Certified Public Accountants No. 1 – Independence Requirements for Financial Statement Audit and Review Engagements* and the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We have complied with the independence requirements for audits of public interest entities during our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine the followings are key audit matters in need of communication in our report.

III. KEY AUDIT MATTERS (CONTINUED)

Amortization of franchise rights associated with toll roads

As disclosed in Note V, 19 (3) to the financial statements, as at 31 December 2025, the carrying amount of the franchise rights of Shenzhen Expressway Company associated with toll roads was RMB20,575,385,764.09, and the amortization amount in 2025 was RMB1,597,651,619.42. The franchise rights of Shenzhen Expressway Company associated with toll roads are amortized over the operating period of the toll roads according to the traffic volume method. As to the amortization of franchise rights associated with toll roads, the amortization amount per standard traffic volume is calculated based on total standard traffic volume predicted during the operating period of each toll road and the carrying amount of the franchise rights associated with toll roads, then the franchise rights are amortized based on the actual traffic volume during each accounting period and the unit amortization amount. The total projected traffic volume refers to the forecast of the management of Shenzhen Expressway Company for the total traffic volume during the operating period, which is a significant accounting estimate. Therefore, we identified the amortization of franchise rights associated with toll roads as a key audit matter in the audit of the consolidated financial statements.

For above key audit matter, the audit procedures we performed mainly include:

(1) Testing and evaluating the operating effectiveness of key internal controls associated with the amortization of the franchise rights;

(2) Inspecting the reasonableness of the calculations on actual traffic volume data applied by Shenzhen Expressway Company during the amortization of the franchise rights;

(3) Assessing the independence and professional competence of the third-party organization employed by Shenzhen Expressway Company for the purpose of performing traffic volume forecast;

(4) Obtaining the traffic volume forecast report issued by the third-party organization, understanding the method for predicting the traffic volume in the future operating period, and evaluating the reliability of the traffic volume forecast by comparing the projected traffic volume in the past years with the actual traffic volume during the period;

(5) Recalculating the amortization of the franchise rights to verify the amortization amount of such franchise rights for accuracy.

IV. OTHER INFORMATION

The management of Shenzhen Expressway Company is responsible for other information. Other information comprises the information included in the 2025 Annual Report of Shenzhen Expressway Company, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of Shenzhen Expressway Company is responsible for preparing the financial statements in accordance with the provisions of the enterprise accounting standards to achieve a fair presentation, and for designing, implementing and maintaining necessary internal controls to ensure that the financial statements are free from material misstatements due to fraud or error.

While preparing the financial statements, the management is responsible for assessing Shenzhen Expressway Company's ability to continue as a going concern, disclosing matters related to going concern (if applicable) and using the going concern assumption, unless the management either intends to liquidate Shenzhen Expressway Company or to terminate operations, or has no other realistic options.

Those charged with governance are responsible for overseeing the financial reporting process of Shenzhen Expressway Company.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shenzhen Expressway Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shenzhen Expressway Company to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and evaluate whether the financial statements fairly represent the underlying transactions and events.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Shenzhen Expressway Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report if the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP	Chinese Certified Public Accountant **(Engagement Partner)**
Shanghai, China	Chinese Certified Public Accountant
25.3.2026	

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Statement of Financial Position

As at 31 December 2025

(RMB)

Item	Note	31 December 2025	31 December 2024
Current assets:			
Cash at banks and on hand	V. 1	**5,152,923,237.15**	2,908,582,010.43
Transactional financial assets	V. 2	**2,557,452,332.60**	129,822,937.64
Bills receivable	V. 3	**3,244,984.06**	1,390,389.45
Accounts receivable	V. 4	**1,024,835,422.75**	957,468,799.75
Prepayments	V. 5	**119,598,712.32**	245,482,362.49
Other receivables	V. 6	**678,305,946.54**	834,685,738.81
Including: Interest receivable		**–**	–
Dividends receivable		**–**	135,000,000.00
Inventories	V. 7	**923,161,768.35**	1,095,373,567.67
Contract assets	V. 8	**533,485,773.31**	370,627,842.43
Non-current assets due within one year	V. 9	**941,440,005.71**	435,993,394.13
Other current assets	V. 10	**654,020,505.76**	664,411,813.94
Total current assets		**12,588,468,688.55**	7,643,838,856.74
Non-current assets:			
Long-term prepayments	V. 11	**1,787,717,710.25**	1,312,579,150.71
Long-term receivables	V. 12	**3,076,966,653.03**	3,200,026,120.96
Long-term equity investments	V. 13	**19,655,223,202.88**	19,755,383,217.22
Other non-current financial assets	V. 14	**1,086,963,286.26**	970,911,383.44
Investment properties	V. 15	**20,217,859.38**	21,555,137.78
Fixed assets	V. 16	**6,955,618,506.25**	7,400,304,937.58
Construction in progress	V. 17	**119,008,367.94**	84,895,316.16
Right-of-use assets	V. 18	**28,805,012.04**	32,059,636.65
Intangible assets	V. 19	**24,921,365,882.90**	24,843,637,234.03
Development expenditures		**829,064.27**	6,261,136.18
Goodwill	V. 20	**–**	202,893,131.20
Long-term prepaid expenses		**15,944,500.66**	16,591,623.55
Deferred tax assets	V. 21	**106,465,345.47**	130,376,684.28
Other non-current assets	V. 22	**925,556,333.37**	1,936,717,382.10
Total non-current assets		**58,700,681,724.70**	59,914,192,091.84
Total assets		**71,289,150,413.25**	67,558,030,948.58

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2025
(RMB)

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings	V. 24	**3,356,091,388.07**	2,573,849,184.49
Transactional financial liabilities	V. 25	**270,588,092.75**	197,664,719.66
Bills payable	V. 26	**334,725,708.50**	870,678,402.08
Accounts payable	V. 27	**2,869,401,694.00**	2,987,806,080.65
Advances from customers	V. 28	**463,090.70**	787,138.81
Contract liabilities	V. 29	**54,544,169.64**	61,712,837.98
Employee benefits payable	V. 30	**367,072,530.88**	358,646,437.71
Taxes payable	V. 31	**352,076,398.65**	357,520,856.69
Other payables	V. 32	**1,258,603,170.27**	1,169,000,291.23
Including: Interest payable		**–**	–
Dividends payable		**62,493,194.42**	85,013,326.10
Non-current liabilities due within one year	V. 33	**6,383,064,479.84**	2,544,252,549.95
Other current liabilities	V. 34	**1,552,694,910.69**	3,053,377,031.15
Total current liabilities		**16,799,325,633.99**	14,175,295,530.40
Non-current liabilities:			
Long-term borrowings	V. 35	**11,127,215,070.78**	13,912,273,334.21
Bonds payable	V. 36	**9,293,546,076.09**	10,194,223,064.28
Including: Preferred stock		**–**	–
Perpetual bonds		**–**	–
Lease liabilities	V. 37	**14,519,888.88**	15,896,203.85
Long-term payables	V. 38	**387,586,715.85**	387,586,715.85
Long-term employee benefits payable	V. 39	**115,649,911.45**	115,649,911.45
Provisions	V. 40	**332,809,324.28**	242,043,881.88
Deferred revenue	V. 41	**230,906,185.46**	297,036,753.87
Deferred tax liabilities	V. 21	**809,284,736.75**	859,181,851.16
Other non-current liabilities		**125,824,859.55**	157,272,992.24
Total non-current liabilities		**22,437,342,769.09**	26,181,164,708.79
Total liabilities		**39,236,668,403.08**	40,356,460,239.19

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2025
(RMB)

Item	Note	31 December 2025	31 December 2024
Shareholders' equity:			
Equity	V. 42	**2,537,856,127.00**	2,180,770,326.00
Other equity instruments	V. 43	**4,000,000,000.00**	4,000,000,000.00
Including: Preferred stock		**–**	–
Perpetual bonds		**4,000,000,000.00**	4,000,000,000.00
Capital reserve	V. 44	**8,682,999,006.34**	4,392,194,420.15
Other comprehensive income	V. 45	**(715,756,314.51)**	(762,550,544.98)
Surplus reserve	V. 46	**3,897,801,487.94**	3,506,925,959.18
Undistributed profits	V. 47	**8,628,237,805.30**	8,586,181,562.92
Total equity attributable to shareholders of the Company		**27,031,138,112.07**	21,903,521,723.27
Minority interests		**5,021,343,898.10**	5,298,048,986.12
Total shareholders' equity		**32,052,482,010.17**	27,201,570,709.39
Total liabilities and shareholders' equity		**71,289,150,413.25**	67,558,030,948.58

The attached notes form part of the financial statements

The financial statements are signed by the following persons:

Xu Enli	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Company's Statement of Financial Position

As at 31 December 2025
(RMB)

Item	Note	31 December 2025	31 December 2024
Current assets:			
Cash at banks and on hand		**2,302,810,399.04**	794,946,519.13
Transactional financial assets		**2,019,338,520.57**	–
Accounts receivable	XV. 1	**107,815,459.54**	75,279,449.66
Prepayments		**3,875,406.75**	5,680,684.69
Other receivables	XV. 2	**1,719,794,681.33**	3,793,798,079.56
Including: Interest receivable		**–**	–
Dividends receivable		**–**	431,020,860.00
Inventories		**656,495.51**	593,459.50
Contract assets		**103,623,565.17**	113,565,166.03
Other current assets		**–**	24,174,784.27
Total current assets		**6,257,914,527.91**	4,808,038,142.84
Non-current assets:			
Long-term prepayments		**1,265,661,693.78**	779,727,076.20
Long-term receivables		**668,535,000.00**	304,175,000.00
Long-term equity investments	XV. 3	**37,274,699,622.46**	35,323,723,539.55
Other non-current financial assets		**1,026,942,682.59**	914,697,766.50
Investment properties		**8,344,268.52**	8,919,992.76
Fixed assets		**1,971,665,364.46**	2,066,123,244.83
Construction in progress		**19,335,241.47**	9,381,711.70
Right-of-use assets		**7,405,747.41**	13,210,490.61
Intangible assets		**3,324,120,397.79**	2,706,621,666.63
Development expenditures		**–**	6,261,136.18
Long-term prepaid expenses		**1,775,109.33**	3,037,238.72
Deferred tax assets		**–**	24,057,356.02
Other non-current assets		**400,822,261.55**	387,124,463.42
Total non-current assets		**45,969,307,389.36**	42,547,060,683.12
Total assets		**52,227,221,917.27**	47,355,098,825.96

As at 31 December 2025
(RMB)

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings		–	134,640,937.92
Bills payable		**129,432,256.00**	423,600,694.25
Accounts payable		**452,562,670.06**	493,126,985.19
Advances from customers		**2,201,991.31**	–
Contract liabilities		**61,530,097.24**	60,739,625.54
Employee benefits payable		**141,169,658.63**	136,991,167.02
Taxes payable		**50,142,548.21**	23,242,869.14
Other payables		**4,671,367,391.38**	4,404,954,338.28
Including: Interest payable		–	–
Dividends payable		**58,071,944.42**	3,911,111.11
Non-current liabilities due within one year		**5,215,193,271.86**	905,242,173.46
Other current liabilities		**1,530,432,861.07**	3,029,402,207.33
Total current liabilities		**12,254,032,745.76**	9,611,940,998.13
Non-current liabilities:			
Long-term borrowings		**4,233,402,880.00**	6,023,653,160.00
Bonds payable		**9,293,546,076.09**	10,194,223,064.28
Including: Preferred stock		–	–
Perpetual bonds		–	–
Lease liabilities		**1,941,674.82**	8,823,827.27
Long-term payables		**387,586,715.85**	387,586,715.85
Long-term employee benefits payable		**69,919,951.40**	69,919,951.40
Provisions		**59,747,221.80**	57,613,555.38
Deferred revenue		**101,468,909.05**	144,657,812.51
Deferred tax liabilities		**118,469,348.09**	231,093,972.26
Total non-current liabilities		**14,266,082,777.10**	17,117,572,058.95
Total liabilities		**26,520,115,522.86**	26,729,513,057.08
Shareholders' equity:			
Equity		**2,537,856,127.00**	2,180,770,326.00
Other equity instruments		**4,000,000,000.00**	4,000,000,000.00
Including: Preferred stock		–	–
Perpetual bonds		**4,000,000,000.00**	4,000,000,000.00
Capital reserve		**6,198,372,579.72**	1,878,291,070.83
Other comprehensive income		**905,437,354.21**	910,912,836.61
Surplus reserve		**3,897,801,487.94**	3,506,925,959.18
Undistributed profits		**8,167,638,845.54**	8,148,685,576.26
Total shareholders' equity		**25,707,106,394.41**	20,625,585,768.88
Total liabilities and shareholders' equity		**52,227,221,917.27**	47,355,098,825.96

The attached notes form part of the financial statements

Xu Enli	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(RMB)

Item	Note	2025	2024
I. Operating income	V. 48	**9,264,480,541.03**	9,245,691,487.27
Less: Cost of services	V. 48	**6,456,994,563.54**	6,324,398,914.59
Taxes and surcharges	V. 49	**62,132,763.99**	58,255,077.49
Selling expenses	V. 50	**9,177,517.06**	12,695,619.32
General and administrative expenses	V. 51	**436,296,254.40**	460,063,900.96
Research and development expenses	V. 52	**44,695,050.20**	32,930,598.54
Financial expenses	V. 53	**742,590,821.23**	1,038,239,432.75
Including: Interest expenses		**859,367,046.63**	1,059,816,553.01
Interest income		**71,360,232.23**	74,813,910.38
Add: Other income	V. 54	**58,546,887.71**	23,458,044.24
Investment income	V. 55	**762,525,074.14**	1,025,126,072.04
Including: Income from investment in associates and joint ventures	V. 55	**737,146,614.81**	851,136,509.69
Gains from changes in fair value	V. 56	**94,015,371.64**	2,641,777.05
Credit impairment gains (losses)	V. 57	**(83,909,015.95)**	(199,772,289.08)
Gains (losses) on impairment of assets	V. 58	**(661,711,374.15)**	(384,274,263.80)
Gains on disposal of assets		**3,033,966.43**	8,829,712.78
II. Operating profit		**1,685,094,480.43**	1,795,116,996.85
Add: Non-operating income	V. 59	**27,039,736.30**	11,191,213.62
Less: Non-operating expenses	V. 60	**65,250,809.70**	47,881,798.18
III. Total profit		**1,646,883,407.03**	1,758,426,412.29
Less: Income tax expenses	V. 61	**461,238,282.29**	540,213,476.26
IV. Net profit		**1,185,645,124.74**	1,218,212,936.03
(I) Classified by business continuity			
1. Net profit from continuing operations		**1,185,645,124.74**	1,218,212,936.03
2. Net profit from discontinued operations		**–**	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company		**1,149,351,721.66**	1,145,048,951.69
2. Profit or loss attributable to minority shareholders		**36,293,403.08**	73,163,984.34

Consolidated Statement of Profit or Loss and Other Comprehensive Income *(continued)*

For the year ended 31 December 2025

(RMB)

Item	Note	2025	2024
V. Other comprehensive income, net of tax		**68,614,264.48**	(239,342,233.16)
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		**46,794,230.47**	(220,245,553.31)
1. Other comprehensive income that cannot be subsequently reclassified to profit or loss		**–**	–
2. Other comprehensive income that will be reclassified to profit or loss		**46,794,230.47**	(220,245,553.31)
(1) Other comprehensive income that will be transferred to profit or loss under the equity method	V. 45	**231,734.94**	36,679,872.53
(2) Translation differences of financial statements denominated in foreign currencies	V. 45	**46,562,495.53**	(256,925,425.84)
(II) Other comprehensive income attributable to minority shareholders, net of tax		**21,820,034.01**	(19,096,679.85)
VI. Total comprehensive income		**1,254,259,389.22**	978,870,702.87
Total comprehensive income attributable to shareholders of the Company		**1,196,145,952.13**	924,803,398.38
Total comprehensive income attributable to minority shareholders		**58,113,437.09**	54,067,304.49
VII. Earnings per share			
(I) Basic earnings per share (RMB/share)		**0.429**	0.441
(II) Diluted earnings per share (RMB/share)		**0.429**	0.441

The attached notes form part of the financial statements

Xu Enli	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Company's Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(RMB)

Item	Note	2025	2024
I. Operating income	XV. 4	**2,106,039,909.54**	2,172,210,374.80
Less: Cost of services	XV. 4	**1,146,249,464.64**	1,258,468,957.49
Taxes and surcharges		**21,607,804.03**	18,233,426.65
General and administrative expenses		**268,770,314.12**	252,290,939.79
Research and development expenses		**424,269.00**	–
Financial expenses		**485,604,854.77**	485,604,568.31
Including: Interest expenses		**614,406,545.46**	528,748,953.37
Interest income		**89,102,136.65**	84,234,928.92
Add: Other income		**2,155,609.62**	2,801,382.03
Investment income	XV. 5	**1,119,240,813.17**	1,404,610,273.58
Including: Income from investment in associates and joint ventures		**237,076,233.05**	358,112,888.34
Gains from changes in fair value		**171,464,472.25**	73,233,065.87
Gains (losses) on impairment of assets	XV. 6	**(386,093,131.20)**	(96,229,424.09)
Gains on disposal of assets		**1,346,700.32**	559,397.34
II. Operating profit		**1,091,497,667.14**	1,542,587,177.29
Add: Non-operating income		**2,055,331.58**	1,004,784.22
Less: Non-operating expenses		**3,516,855.12**	9,339,954.88
III. Total profit		**1,090,036,143.60**	1,534,252,006.63
Less: Income tax expenses		**(36,212,604.96)**	48,622,466.18
IV. Net profit		**1,126,248,748.56**	1,485,629,540.45
(I) Net profit from continuing operations		**1,126,248,748.56**	1,485,629,540.45
(II) Net profit from discontinued operations		**–**	–
V. Other comprehensive income, net of tax		**(5,475,482.40)**	18,776,448.80
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		**–**	–
(II) Other comprehensive income that will be reclassified to profit or loss		**(5,475,482.40)**	18,776,448.80
1. Other comprehensive income that will be transferred to profit or loss under the equity method		**(5,475,482.40)**	18,776,448.80
VI. Total comprehensive income		**1,120,773,266.16**	1,504,405,989.25

The attached notes form part of the financial statements

Xu Enli	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(RMB)

Item	Note	2025	2024
I. Cash flows from operating activities:			
Cash received from rendering services and selling goods		**7,494,460,321.99**	7,177,925,697.71
Refund of taxes		**44,792,346.91**	21,705,782.82
Other cash received relating to operating activities	V. 62(1)	**455,595,394.96**	193,524,731.78
Sub-total of cash inflows		**7,994,848,063.86**	7,393,156,212.31
Cash payments for goods and services		**1,243,617,051.72**	1,338,044,472.74
Cash payments to and on behalf of employees		**1,076,217,043.54**	1,076,636,904.47
Payments of taxes and surcharges		**694,063,785.82**	784,238,122.81
Other cash payments relating to operating activities	V. 62(1)	**357,289,097.60**	476,930,241.15
Sub-total of cash outflows		**3,371,186,978.68**	3,675,849,741.17
Net cash flows from operating activities	V. 63(1)1	**4,623,661,085.18**	3,717,306,471.14
II. Cash flows from investing activities:			
Cash received from recovery of investments		**3,847,585,432.15**	2,183,361,781.54
Cash received from returns on investments		**712,875,414.86**	630,212,585.65
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**1,613,846.61**	864,244.90
Net cash received from disposals of subsidiaries and other business units		**3,716.76**	1,274,641,161.02
Other cash received relating to investing activities	V. 62(2)	**13,858,846.44**	462,004,269.90
Sub-total of cash inflows		**4,575,937,256.82**	4,551,084,043.01
Cash payments to acquire fixed assets, intangible assets and other long-term assets		**3,279,556,923.08**	2,059,360,750.59
Cash payments for investing activities		**6,099,390,440.00**	2,514,755,450.00
Net cash payments for acquisitions of subsidiaries and other business units		**–**	–
Other cash payments relating to investing activities	V. 62(2)	**11,824,993.72**	13,113,423.39
Sub-total of cash outflows		**9,390,772,356.80**	4,587,229,623.98
Net cash flows from investing activities		**(4,814,835,099.98)**	(36,145,580.97)

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2025
(RMB)

Item	Note	2025	2024
III. Cash flows from financing activities:			
Cash received from capital contributions		**8,703,619,999.17**	–
Including: Cash received by subsidiaries from capital contributions by minority shareholders		**800,000.00**	–
Cash received from borrowings		**16,583,544,173.78**	23,330,617,299.88
Other cash received relating to financing activities	V. 62(3)	**–**	19,685,436.07
Sub-total of cash inflows		**25,287,164,172.95**	23,350,302,735.95
Cash repayments of borrowings		**17,099,723,866.98**	22,910,839,219.60
Cash payments for distribution of dividends or profits or settlement of interest expenses		**1,851,731,281.98**	2,744,327,547.86
Including: Payments for distribution of dividends or profits to minority shareholders by subsidiaries		**438,208,608.81**	328,344,634.00
Other cash payments relating to financing activities	V. 62(3)	**4,059,079,575.26**	502,411,563.93
Sub-total of cash outflows		**23,010,534,724.22**	26,157,578,331.39
Net cash flows from financing activities		**2,276,629,448.73**	(2,807,275,595.44)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**(10,865,181.34)**	(158,611,869.09)
V. Net increase (decrease) in cash and cash equivalents	V. 63(1)2	**2,074,590,252.59**	715,273,425.64
Add: Cash and cash equivalents at the beginning of the year		**2,670,493,652.96**	1,955,220,227.32
VI. Cash and cash equivalents at the end of the year	V. 63(1)2	**4,745,083,905.55**	2,670,493,652.96

The attached notes form part of the financial statements

Xu Enli	Zhao Guiping	Jiang Weiqi
Head of the Company	Chief financial officer	Head of accounting department

Company's Statement of Cash Flows

For the year ended 31 December 2025

(RMB)

Item	Note	2025	2024
I. Cash flows from operating activities:			
Cash received from rendering services and selling goods		**1,327,631,050.58**	1,328,689,320.33
Refund of taxes		**–**	876,399.21
Other cash received relating to operating activities		**33,827,335.92**	32,588,029.68
Sub-total of cash inflows		**1,361,458,386.50**	1,362,153,749.22
Cash payments for goods and services		**164,529,738.05**	163,439,379.79
Cash payments to and on behalf of employees		**272,781,389.24**	266,825,804.84
Payments of taxes and surcharges		**60,462,378.41**	123,098,484.32
Other cash payments relating to operating activities		**146,747,735.97**	122,651,198.07
Sub-total of cash outflows		**644,521,241.67**	676,014,867.02
Net cash flows from operating activities		**716,937,144.83**	686,138,882.20
II. Cash flows from investing activities:			
Cash received from recovery of investments		**3,094,962,454.75**	1,210,600,879.16
Cash received from returns on investments		**1,646,929,333.10**	1,454,014,222.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**1,467,141.42**	658,275.00
Net cash received from disposals of subsidiaries and other business units		**3,716.76**	1,397,449,491.52
Other cash received relating to investing activities		**1,163,547,277.55**	1,779,100,903.64
Sub-total of cash inflows		**5,906,909,923.58**	5,841,823,772.20
Cash payments to acquire fixed assets, intangible assets and other long-term assets		**1,499,097,698.41**	505,332,147.75
Cash payments for investing activities		**7,480,000,000.00**	11,528,069,733.71
Other cash payments relating to investing activities		**1,620,598.22**	–
Sub-total of cash outflows		**8,980,718,296.63**	12,033,401,881.46
Net cash flows from investing activities		**(3,073,808,373.05)**	(6,191,578,109.26)

Company's Statement of Cash Flows *(continued)*

For the year ended 31 December 2025

(RMB)

Item	Note	2025	2024
III. Cash flows from financing activities:			
Cash received from capital contributions		**8,702,819,999.17**	–
Cash received from borrowings		**10,026,434,463.69**	19,326,055,885.12
Other cash received relating to financing activities		**346,113,119.44**	494,160,658.46
Sub-total of cash inflows		**19,075,367,582.30**	19,820,216,543.58
Cash repayments of borrowings		**10,071,237,188.81**	11,036,650,280.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		**1,100,932,482.49**	1,817,584,826.12
Other cash payments relating to financing activities		**4,037,434,957.61**	1,193,303,170.83
Sub-total of cash outflows		**15,209,604,628.91**	14,047,538,276.95
Net cash flows from financing activities		**3,865,762,953.39**	5,772,678,266.63
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**(6,145.18)**	(81,941.18)
V. Net increase (decrease) in cash and cash equivalents		**1,508,885,579.99**	267,157,098.39
Add: Cash and cash equivalents at the beginning of the year		**792,672,285.68**	525,515,187.29
VI. Cash and cash equivalents at the end of the year		**2,301,557,865.67**	792,672,285.68

The attached notes form part of the financial statements

Xu Enli	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(RMB)

Item	2025								
	Attributable to shareholders of the Company								
		Other equity instruments							
	Equity	Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total	Minority interests	Total shareholders' equity
I. Balance on 31 December 2024	2,180,770,326.00	4,000,000,000.00	4,392,194,420.15	(762,550,544.98)	3,506,925,959.18	8,586,181,562.92	21,903,521,723.27	5,298,048,986.12	27,201,570,709.39
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-
II. Balance on 1 January 2025	2,180,770,326.00	4,000,000,000.00	4,392,194,420.15	(762,550,544.98)	3,506,925,959.18	8,586,181,562.92	21,903,521,723.27	5,298,048,986.12	27,201,570,709.39
III. Changes for the year	357,085,801.00	-	4,290,804,586.19	46,794,230.47	390,875,528.76	42,056,242.38	5,127,616,388.80	(276,705,088.02)	4,850,911,300.78
(I) Total comprehensive income	-	-	-	46,794,230.47	-	1,149,351,721.66	1,196,145,952.13	58,113,437.09	1,254,259,389.22
(II) Shareholders' contributions and reduction in capital	357,085,801.00	-	4,290,804,586.19	-	-	-	4,647,890,387.19	(8,106,394.37)	4,639,783,992.82
1. Ordinary shares contributed by shareholders	357,085,801.00	-	4,322,150,713.71	-	-	-	4,679,236,514.71	800,000.00	4,680,036,514.71
2. Shareholders' reduction in capital	-	-	-	-	-	-	-	(5,419,746.53)	(5,419,746.53)
3. Capital contribution from holders of other equity instruments	-	4,000,000,000.00	(3,858,490.57)	-	-	-	3,996,141,509.43	-	3,996,141,509.43
4. Capital reduced by holders of other equity instruments	-	(4,000,000,000.00)	-	-	-	-	(4,000,000,000.00)	-	(4,000,000,000.00)
5. Others	-	-	(27,487,636.95)	-	-	-	(27,487,636.95)	(3,486,647.84)	(30,974,284.79)
(III) Profit distribution	-	-	-	-	390,875,528.76	(1,107,295,479.28)	(716,419,950.52)	(326,712,130.74)	(1,043,132,081.26)
1. Transfer to surplus reserve	-	-	-	-	390,875,528.76	(390,875,528.76)	-	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(716,419,950.52)	(716,419,950.52)	(326,712,130.74)	(1,043,132,081.26)
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to equity	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to equity	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(V) Others	-	-	-	-	-	-	-	-	-
IV. Balance on 31 December 2025	2,537,856,127.00	4,000,000,000.00	8,682,999,006.34	(715,756,314.51)	3,897,801,487.94	8,628,237,805.30	27,031,138,112.07	5,021,343,898.10	32,052,482,010.17

Consolidated Statement of Changes in Equity *(continued)*

For the year ended 31 December 2025

(RMB)

Item	2024								
	Attributable to shareholders of the Company								
		Other equity instruments							
Item	Equity	Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total	Minority interests	Total shareholders' equity
I. Balance on 31 December 2023	2,180,770,326.00	4,000,000,000.00	4,389,338,761.93	(542,304,991.67)	3,218,191,232.88	9,112,002,127.97	22,357,997,457.11	5,640,684,528.01	27,998,681,985.12
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-
II. Balance on 1 January 2024	2,180,770,326.00	4,000,000,000.00	4,389,338,761.93	(542,304,991.67)	3,218,191,232.88	9,112,002,127.97	22,357,997,457.11	5,640,684,528.01	27,998,681,985.12
III. Changes for the year	-	-	2,855,658.22	(220,245,553.31)	288,734,726.30	(525,820,565.05)	(454,475,733.84)	(342,635,541.89)	(797,111,275.73)
(I) Total comprehensive income	-	-	-	(220,245,553.31)	-	1,145,048,951.69	924,803,398.38	54,067,304.49	978,870,702.87
(II) Shareholders' contributions and reduction in capital	-	-	2,855,658.22	-	-	-	2,855,658.22	(26,355,669.84)	(23,500,011.62)
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-
2. Others	-	-	2,855,658.22	-	-	-	2,855,658.22	(26,355,669.84)	(23,500,011.62)
(III) Profit distribution	-	-	-	-	288,734,726.30	(1,670,869,516.74)	(1,382,134,790.44)	(370,347,176.54)	(1,752,481,966.98)
1. Transfer to surplus reserve	-	-	-	-	288,734,726.30	(288,734,726.30)	-	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(1,382,134,790.44)	(1,382,134,790.44)	(370,347,176.54)	(1,752,481,966.98)
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to equity	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to equity	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(V) Others	-	-	-	-	-	-	-	-	-
IV. Balance on 31 December 2024	2,180,770,326.00	4,000,000,000.00	4,392,194,420.15	(762,550,544.98)	3,506,925,959.18	8,586,181,562.92	21,903,521,723.27	5,298,048,986.12	27,201,570,709.39

The attached notes form part of the financial statements

Xu Enli
Head of the Company

Zhao Guiping
Chief financial officer

Jiang Weiqi
Head of accounting department

Company's Statement of Changes in Equity

For the year ended 31 December 2025

(RMB)

Item	2025						
	Equity	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance on 31 December 2024	**2,180,770,326.00**	**4,000,000,000.00**	**1,878,291,070.83**	**910,912,836.61**	**3,506,925,959.18**	**8,148,685,576.26**	**20,625,585,768.88**
Add: Changes in accounting policies	-	-	-	-	-	-	-
II. Balance on 1 January 2025	**2,180,770,326.00**	**4,000,000,000.00**	**1,878,291,070.83**	**910,912,836.61**	**3,506,925,959.18**	**8,148,685,576.26**	**20,625,585,768.88**
III. Changes for the year	**357,085,801.00**	-	**4,320,081,508.89**	**(5,475,482.40)**	**390,875,528.76**	**18,953,269.28**	**5,081,520,625.53**
(I) Total comprehensive income	-	-	-	**(5,475,482.40)**	-	**1,126,248,748.56**	**1,120,773,266.16**
(II) Shareholders' contributions and reduction in capital	**357,085,801.00**	-	**4,320,081,508.89**	-	-	-	**4,677,167,309.89**
1. Ordinary shares contributed by shareholders	**357,085,801.00**	-	**4,322,150,713.71**	-	-	-	**4,679,236,514.71**
2. Capital contribution from holders of other equity instruments	-	**4,000,000,000.00**	**(3,858,490.57)**	-	-	-	**3,996,141,509.43**
3. Capital reduced by holders of other equity instruments	-	**(4,000,000,000.00)**	-	-	-	-	**(4,000,000,000.00)**
4. Others	-	-	**1,789,285.75**	-	-	-	**1,789,285.75**
(III) Profit distribution	-	-	-	-	**390,875,528.76**	**(1,107,295,479.28)**	**(716,419,950.52)**
1. Transfer to surplus reserve	-	-	-	-	**390,875,528.76**	**(390,875,528.76)**	-
2. Profit distribution to shareholders	-	-	-	-	-	**(716,419,950.52)**	**(716,419,950.52)**
(IV) Others	-	-	-	-	-	-	-
IV. Balance on 31 December 2025	**2,537,856,127.00**	**4,000,000,000.00**	**6,198,372,579.72**	**905,437,354.21**	**3,897,801,487.94**	**8,167,638,845.54**	**25,707,106,394.41**

Item	2024						
	Equity	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance on 31 December 2023	2,180,770,326.00	4,000,000,000.00	1,873,257,038.28	892,136,387.81	3,218,191,232.88	8,333,925,552.55	20,498,280,537.52
Add: Changes in accounting policies	-	-	-	-	-	-	-
II. Balance on 1 January 2024	2,180,770,326.00	4,000,000,000.00	1,873,257,038.28	892,136,387.81	3,218,191,232.88	8,333,925,552.55	20,498,280,537.52
III. Changes for the year	-	-	5,034,032.55	18,776,448.80	288,734,726.30	(185,239,976.29)	127,305,231.36
(I) Total comprehensive income	-	-	-	18,776,448.80	-	1,485,629,540.45	1,504,405,989.25
(II) Shareholders' contributions and reduction in capital	-	-	5,034,032.55	-	-	-	5,034,032.55
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Others	-	-	5,034,032.55	-	-	-	5,034,032.55
(III) Profit distribution	-	-	-	-	288,734,726.30	(1,670,869,516.74)	(1,382,134,790.44)
1. Transfer to surplus reserve	-	-	-	-	288,734,726.30	(288,734,726.30)	-
2. Profit distribution to shareholders	-	-	-	-	-	(1,382,134,790.44)	(1,382,134,790.44)
(IV) Others	-	-	-	-	-	-	-
IV. Balance on 31 December 2024	2,180,770,326.00	4,000,000,000.00	1,878,291,070.83	910,912,836.61	3,506,925,959.18	8,148,685,576.26	20,625,585,768.88

The attached notes form part of the financial statements

Xu Enli	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Notes to the Financial Statements

I. GENERAL INFORMATION OF THE COMPANY

1. Company profile

Shenzhen Expressway Corporation Limited (the "Company") is a joint stock limited company established in Guangdong Province, the People's Republic of China (the "PRC") on 30 December 1996. The Company has its H shares and A shares listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange of the PRC, respectively. The address of its registered office is Fumin Toll Station, Fucheng Street, Longhua District, Shenzhen, the PRC. The office of the Company is located at Hanking Center Tower, No. 9968, Shennan Avenue, Yuehai Street, Nanshan District, Shenzhen, the PRC.

The principal activities of the Company and its subsidiaries (the "Group") are the investment, construction, operation and management of toll highways and environmental protection in China. The environmental protection business mainly includes the recycling and treatment of solid waste and clean energy power generation.

The controlling shareholder and actual controlling party of the Company are Shenzhen International Holdings Limited ("Shenzhen International") and the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality ("Shenzhen SASAC") respectively.

2. Date of approval for issue of the financial statements

These financial statements were approved for issue by the Company's Board of Directors on 25 March 2026.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of preparation

The Group implements the Accounting Standards for Business Enterprises and related regulations issued by the Ministry of Finance. In addition, the related financial information has been disclosed in accordance with the requirements of the *Rules Governing the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Requirements for Financial Reporting (Revised in 2023)*, *Hong Kong Companies Ordinance* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*.

Going concern

As of 31 December 2025, the Group and the Company had total current liabilities in excess of total current assets by RMB4,210,856,945.44 and RMB5,996,118,217.85, respectively, and the amount of capital commitments expected to be paid by the Group in the coming year totaled RMB5,476,827,733.62. As at 31 December 2025, the Group and the Company had unused bank credit lines totaling RMB71,486,524,391.65 and RMB53,249,500,186.28, respectively, which can satisfy the Group's debt and capital commitments. As the Group can solve the lack of working capital through reasonable financing arrangements, the financial statements have been prepared on a going concern basis.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash and cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash and cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

When measuring non-financial assets at fair value, consideration is given to the ability of a market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial assets of which the transaction price is used as the fair value at initial recognition and for which a valuation technique involving unobservable inputs is used in the subsequent measurement of fair value, the valuation technique is corrected during the valuation process so that the initial recognition result determined by the valuation technique is equal to the transaction price.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than inputs within Level 1, that are observable for the asset or liability;
- Level 3 inputs are unobservable inputs for the asset or liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and Company's financial position as at 31 December 2025, and the consolidated and Company's operating results, the consolidated and Company's changes in equity and the consolidated and Company's cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Operating cycle

An operating cycle refers to the period when an enterprise purchases assets for processing purpose till the realization of those assets in cash or cash equivalents. The Group's operating cycle is 12 months.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's foreign subsidiary chooses its functional currency on the basis of the primary economic environment in which it operates. The Company adopts RMB to prepare its financial statements.

5. Method for determination of materiality criteria and basis for selection

Item	Materiality criteria
Bad debt provision on significant accounts receivable recovered or reversed	The amount is greater than or equal to RMB30 million
Significant construction in progress	The amount is greater than or equal to RMB30 million
Significant accounts payable aged over one year	The amount is greater than or equal to RMB30 million
Significant other payables aged over one year	The amount is greater than or equal to RMB30 million
Cash receipts relating to significant investing activities	The amount is greater than 10% of the subtotal of cash inflows from investing activities and is greater than or equal to RMB100 million
Cash payments relating to significant investing activities	The amount is greater than 10% of the subtotal of cash outflows from investing activities and is greater than or equal to RMB100 million
Significant non-wholly owned subsidiaries	The amount of revenue or net profit (in absolute value in case of loss) realized by a non-wholly owned subsidiary in the current year or the amount of any item included in total assets at the end of the year of a non-wholly owned subsidiary is greater than 5% of the amount of corresponding item in the Group's consolidated financial statements
Significant joint ventures or associates	The year-end balance of long-term equity investment in the enterprise accounts for more than 5% of the Group's total consolidated assets or the investment income (in absolute value in case of loss) recognized under the equity method for the reporting period accounts for more than 10% of the Group's total consolidated profit
Significant contingencies	The amount is greater than or equal to RMB50 million

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Accounting treatment of business combinations involving entities under common control and business combinations not involving entities under common control

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

6.1 Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount (or the total face value of issued shares) of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss for the period in which they are incurred.

6.2 Business combinations not involving entities under common control and goodwill

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. Where a business combination not involving entities under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer first reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the period.

Goodwill arising from a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Determination criteria of control and preparation of consolidated financial statements

7.1 Determination criteria of control

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. If changes of related facts and situations lead to changes of related elements of control, the Group will conduct reassessment.

7.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

The combination of subsidiaries begins when the Group obtains control over the subsidiary, and ceases when the Group loses control over the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving entities under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving entities under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

Influence over the consolidated financial statements arising from significant intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "profit or loss attributable to minority shareholders" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Determination criteria of control and preparation of consolidated financial statements (Continued)

7.2 Preparation of consolidated financial statements (Continued)

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the shareholders' interests and minority interests of the Company are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving entities under common control, this should be dealt with based on whether this belongs to a 'package deal': if it belongs to a 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to a 'package deal', transactions to acquire control on the acquisition date will be under accounting treatment, the fair value of acquirees' shares held before the acquisition date will be revalued, and the difference between fair value and carrying amount will be recognized in profit or loss for the period; if acquirees' shares held before the acquisition date involve changes in other comprehensive income and other equity of owners under equity method, this will be transferred to income of the acquisition date.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

When the Group loses control over a subsidiary in two or more transactions, terms and conditions of the transactions and their economic effects are considered. One or more of the following indicate that the Group shall account for the multiple transactions as a "package deal": (i) they are entered into at the same time or in contemplation of each other; (ii) they form a complete transaction designed to achieve an overall commercial effect; (iii) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; (iv) one transaction alone is not economically justified, but it is economically justified when considered together with other transactions. Where the transactions of disposal of equity investments in a subsidiary until the loss of control are assessed as a "package deal", these transactions are accounted for as one transaction of disposal of a subsidiary with loss of control. Before losing control, the difference of consideration received on disposal and the share of net assets of the subsidiary continuously calculated from the acquisition date is recognized as other comprehensive income. When losing control, the cumulated other comprehensive income is transferred to profit or loss for the period in which the control is lost. If the transactions of disposal of equity investments in a subsidiary are not assessed as a "package deal", these transactions are accounted for as unrelated transactions

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Classification of joint arrangements

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group's joint arrangement is joint venture, which is accounted for using the equity method. Refer to Note III, 18.3.2 "Long-term equity investments accounted for using the equity method".

9. Recognition criteria of cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be withdrawn on demand at any time; cash equivalents are the Group's short-term (generally due within three months from the date of purchase), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Translation of transactions and financial statements denominated in foreign currencies

10.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from changes in the gross carrying amount (other than the amortized cost) of monetary items at fair value through other comprehensive income are recognized in other comprehensive income.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "translation differences of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rate) and is recognized in profit or loss or as other comprehensive income.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Translation of transactions and financial statements denominated in foreign currencies (Continued)

10.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities in the statement of financial position are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for "undistributed profits" are translated at the spot exchange rates on the dates of the transactions; income and expense items in the statement of profit or loss and other comprehensive income are translated at the average rates on the dates of the transactions; the difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at average exchange rate for the period in which cash flows occur. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The closing balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated translation differences of financial statements denominated in foreign currencies attributable to the shareholders' equity of the Company and presented under shareholders' equity, to profit or loss for the period in which the disposal occurs.

When the disposal of part of the equity investments or other reason results in decrease in proportion of equity in a foreign operation but does not result in loss of control over the foreign operation, the translation differences of financial statements denominated in foreign currency relating to the partial disposal of the foreign operation are attributable to minority interests and are not transferred to profit or loss for the period. When the disposal of foreign operation is partial disposal of equity in associates or joint ventures, the translation differences of financial statements denominated in foreign currency relating to the foreign operation is transferred to profit or loss in proportion to the foreign operation disposed of.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value (the method for determining the fair values of the financial assets and financial liabilities is set out in related disclosures under "basis of accounting and principle of measurement" in Note II). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of accounts receivable that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the *Accounting Standards for Business Enterprises No. 14 – Revenue* ("Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) (without considering the expected credit losses).

The amortized cost of a financial asset or financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of difference between the amount initially recognized and the amount at the maturity date using effective interest method, and then net of cumulative provision for credit loss (only applicable to financial assets).

11.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortized cost, which include cash at banks and on hand, bills receivable, accounts receivable, other receivables and long-term receivables, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, the Group classifies such financial asset as financial assets at FVTOCI. The accounts receivable and bills receivable classified as at FVTOCI upon acquisition are presented under financing with receivables, while the remaining items due within one year (inclusive) upon acquisition are presented under other current assets. Other financial assets of such type are presented as other debt investments if they are due after one year since the acquisition, or presented under non-current assets due within one year if they are due within one year (inclusive) since the balance sheet date.

Upon initial recognition, the Group may irrevocably designate the non-transactional equity instrument investments other than contingent considerations recognized in business combination not involving entities under common control as financial assets at FVTOCI on an individual basis. Such type of financial assets is presented as investments in other equity instruments.

A financial asset is classified as transactional if any of the following criteria is satisfied:

- It has been acquired principally for the purpose of selling it in near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL:

- Financial assets not satisfying the criteria of classification as financial assets at amortized cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL other than derivative financial assets are presented as transactional financial assets. Financial assets with a maturity over one year since the balance sheet date (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

11.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss.

For financial assets at amortized cost, the Group recognizes interest income using effective interest method. The Group calculates and recognizes interest income through gross carrying amount of financial assets multiplying effective interest rate, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes the interest income based on amortized cost of the financial assets and the effective interest rate through credit adjustment since initial recognition.

- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Group calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Group will calculate the interest income by applying effective interest rate to the gross carrying amount of the financial assets.

11.1.2 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains and the interest income and exchange losses or gains calculated using the effective interest method which are included in profit or loss for the period, the changes in fair value are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if it has been always measured at amortized cost. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

Changes in fair value of non-trading equity instrument investments designated as financial assets at FVTOCI are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings. During the period in which the Group holds the non-trading equity instrument, revenue from dividends is recognized and included in profit or loss for the period when (1) the Group has established the right of collecting dividends; (2) it is probable that the associated economic benefits will flow to the Group; and (3) the amount of dividends can be measured reliably.

11.1.3 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with gains or losses on changes in fair value and related dividends and interest income included in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments

For financial assets at amortized cost, financial assets classified as at FVTOCI, lease receivables, contract assets, financial liabilities that are not at FVTPL and financial guarantee contracts that are not qualified for derecognition due to the transfer of financial assets or financial liabilities arising from continuing involvement of the transferred financial assets, the Group accounts for the impairment and recognizes the provision for losses on the basis of expected credit loss ("ECL").

For all contract assets, bills receivable and accounts receivable arising from transactions regulated by Revenue Standards, and lease receivables arising from transactions regulated by the *Accounting Standards for Business Enterprises No. 21 – Lease*, the Group recognizes the provision for losses at an amount equivalent to the lifetime ECL.

For other financial instruments, except for the purchased or originated credit-impaired financial assets, the Group assesses whether their credit risk has increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognizes the provision for losses at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognizes the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit loss provision for financial assets other than those classified as at FVTOCI is recognized as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss provision is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the statement of financial position.

Where the Group has measured the provision for losses at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognizes the provision for losses of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of provision for losses recognized as impairment gains in profit or loss for the period.

11.2.1 Significant increase in credit risk

The Group uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the balance sheet date with the risk of a default occurring on the financial instrument at the date of initial recognition. For financial guarantee contracts, the date on which the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

The following information is taken into account when assessing whether the credit risk has increased significantly:

(1) Significant changes in internal price indicators resulting from changes in credit risk;

(2) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.);

(3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as the changes in the price of the borrower's debt instruments or equity instruments);

(4) An actual or expected significant change in the financial instrument's external credit rating;

(5) An actual or expected decrease in the internal credit rating for the debtor;

(6) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

(7) An actual or expected significant change in the operating results of the debtor;

(8) Significant increase in the credit risk of other financial instruments issued by the same debtor;

(9) Significant adverse changes in regulatory, economic, or technological environment of the debtor;

(10) Significant changes in the value of collaterals or the quality of guarantees or credit enhancements provided by third parties, which are expected to reduce the debtor's economic motives to repay within the time limit specified in contract or affect the probability of default;

(11) Significant change in the debtor's economic motives to repay within the time limit specified in contract;

(12) Expected changes in the loan contract, including the exemption or revision of contractual obligations, the granting of interest-free periods, the jump in interest rates, the requirement for additional collateral or guarantees, or other changes in the contractual framework for financial instruments that may result from the breach of contract;

(13) Significant change in expected performance and repayment of the debtor;

(14) Significant change in the method used by the Group to manage the credit of financial instrument.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days (inclusive) past due.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.2 Credit-impaired financial asset

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit impaired. The evidence of credit impairment of financial assets includes the following observable information:

(1) Significant financial difficulty of the issuer or debtor;

(2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;

(3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession that the creditor would not otherwise consider;

(4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;

(5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;

(6) Purchase or originate a financial asset at a significant discount which reflects the fact of credit impairment.

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the outcome of the above assessment, the Group presumes that an event of default on the financial instrument has occurred if the contractual payment of the financial instrument has been more than 90 days (inclusive) past due.

11.2.3 Determination of ECL

The Group determines the ECL of relevant financial instruments using the following method:

- For financial assets and lease receivables, credit losses are the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be collected.

- For financial guarantee contracts (see Note III, 11.4.1.2.1 for specific accounting policies), credit losses are the present value of the difference between the expected payment to be made by the Group to the contract holder for the credit losses incurred, and the amount the Group expects to receive from the contract holder, the debtor or any other parties.

The factors reflected by the Group's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognized by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the gross carrying amount of the financial asset, which constitutes derecognition of relevant financial assets.

11.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. Relevant liabilities are measured using the following methods:

- For transferred financial assets carried at amortized cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortized cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortized cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at FVTPL.

- For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.3 Transfer of financial assets (Continued)

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair value of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognized on the date of derecognition; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

11.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

11.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

11.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include transactional financial liabilities (including derivative financial liabilities) and financial liabilities designated as at FVTPL. Except for derivative financial liabilities which are presented separately, financial liabilities at FVTPL are presented as transactional financial liabilities.

A financial liability is classified as transactional if any of the following criteria is satisfied:

- It has been incurred principally for the purpose of repurchasing it in the near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Classification, recognition and measurement of financial liabilities (Continued)

11.4.1.1 Financial liabilities at FVTPL (Continued)

A financial liability may be designated as at FVTPL upon initial recognition if: (1) such designation eliminates or significantly reduces accounting mismatch; (2) the Group makes management and performance evaluation on a fair value basis for a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities, in accordance with the Group's formally documented risk management or investment strategy, and reports to key management personnel on that basis; (3) the qualified hybrid contract that contains embedded derivatives.

Transactional financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss for the period.

For a financial liability designated as at FVTPL, the amount of changes in the fair value of the financial liability that are attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, while other changes in fair value are included in profit or loss for the period. Upon the derecognition of such financial liability, the accumulated amount of changes in fair value that are attributable to changes in the credit risk of that liability, which was recognized in other comprehensive income, is transferred to retained earnings. Any dividend or interest expense on the financial liabilities is recognized in profit or loss. If the accounting treatment for the impact of the change in credit risk of such financial liability in the above ways would create or enlarge an accounting mismatch in profit or loss, the Group shall present all gains or losses on that liability (including the effects of changes in the credit risk of that liability) in profit or loss for the period.

For financial liabilities arising from contingent consideration recognized by the Group as the acquirer in the business combination not involving entities under common control, the Group measures such financial liabilities at fair value and includes the changes in financial liabilities in profit or loss for the period.

11.4.1.2 Other financial liabilities

Except for financial liabilities arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets and financial guarantee contracts, other financial liabilities are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

If the modification or renegotiation for the contract by the Group and its counterparties does not result in derecognition of a financial liability subsequently measured at amortized cost but the changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine the carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the original effective interest rate of the financial liability. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Classification, recognition and measurement of financial liabilities (Continued)

11.4.1.2 Other financial liabilities (Continued)

11.4.1.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial liabilities that are not designated as at FVTPL or financial guarantee contracts of the financial liabilities arising from the transfer of financial assets that does not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets are measured at the higher of: (1) amount of provision for losses; and (2) the amount initially recognized less cumulative amortization amount determined according to relevant regulations in Revenue Standards.

11.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

11.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes in equity. Change in fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.5 Derivatives and embedded derivatives

Derivatives include forward exchange contracts and foreign exchange option contracts, etc. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value.

Derivatives embedded in hybrid contracts with a financial asset host are not separated by the Group. The hybrid contract shall apply to the relevant accounting standards regarding the classification of financial assets as a whole.

Derivatives embedded in hybrid contracts with hosts that are not financial assets are separated and treated as separate derivatives by the Group when they meet the following conditions:

(1) The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

(2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

(3) The hybrid contracts are not measured at FVTPL.

For the embedded derivative separated from the host contracts, the Group accounts for the host contracts in the hybrid contracts with applicable accounting standards. When the embedded derivatives whose fair value cannot be measured reliably by the Group according to the terms and conditions of the embedded derivatives, the fair value of such derivatives are measured at the difference between the fair value of the hybrid contracts and the fair value of the host contracts. By adopting the above method, if the embedded derivative cannot be measured on a stand-alone basis at the time when it is acquired or at subsequent balance sheet dates, the hybrid instrument is designated as financial instruments at FVTPL as a whole.

11.6 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Bills receivable

12.1 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

Except for bills receivable for which the credit losses are assessed on an individual basis, the remaining bills receivable are categorized into different portfolios based on their credit risk characteristics:

Category of portfolio	Basis for determination
Portfolio I	Bills receivable accepted by banks with high credit ratings
Portfolio II	Bills receivable accepted by banks with low credit ratings
Portfolio III	Bills receivable accepted by domestic enterprises

12.2 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on bills receivable from acceptors who clearly lack the ability to repay debts on an individual basis due to the fact that such bills receivable are expected to be irrecoverable.

13. Accounts receivable

13.1 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The accounts receivable are categorized into following portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include historical credit losses, nature of the customers, etc.

Category of portfolio	Basis for determination
Portfolio I	Receivables from government and related parties
Portfolio II	Receivables from customers in wind turbine generators sales industry
Portfolio III	Receivables from customers in kitchen waste disposal industry
Portfolio IV	Receivables from other third parties other than those in Portfolio I, II and III

13.2 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

For Portfolio II, III and IV, the Group adopts the aging of accounts receivable as a credit risk characteristic to determine the ECL using an impairment matrix. The aging is calculated from the date of initial recognition. If the terms and conditions of accounts receivable are modified which do not result in the derecognition of accounts receivable, the aging is calculated consecutively. If the accounts receivable are converted from contract assets, the aging is calculated consecutively from the date of initial recognition of the corresponding contract assets. If the debtor settles accounts receivable with commercial acceptance bills or acceptance bills of finance company, the aging of bills receivable is added to that of the original accounts receivable for calculation.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Accounts receivable (Continued)

13.3 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on accounts receivable from customers who clearly lack the ability to repay debts on an individual basis due to the fact that such accounts receivable are expected to be irrecoverable.

14. Other receivables

14.1 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The Group categorizes other receivables into low-risk portfolio and normal-risk portfolio based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include category of the debtors.

14.2 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

The aging is calculated from the date of initial recognition. If the terms and conditions of other receivables are modified which do not result in the derecognition of other receivables, the aging is calculated consecutively.

14.3 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on other receivables from customers who clearly lack the ability to repay debts on an individual basis due to the fact that such other receivables are expected to be irrecoverable.

15. Inventories

15.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for low-value consumables and packaging materials

15.1.1 Categories of inventories

The Group's inventories mainly include real estate development properties, raw materials, work in progress, goods on hand, low-value consumables and others, etc.

Real estate properties comprise properties held for sale, properties under development and properties held for development. Properties held for sale are those completed and for sale, while properties under development are those still under construction and for sale purposes, and properties held for development are lands purchased and planned to have properties developed on.

Inventories are initially measured at cost. Cost of real estate development comprises land cost, construction cost and other costs. Cost of raw materials, work in progress and goods on hand comprises costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Inventories (Continued)

15.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for low-value consumables and packaging materials (Continued)

15.1.2 Valuation method of inventories upon delivery

The cost of completed properties held for sale is determined using the specific identification method. The actual cost of raw materials, work in progress, and goods on hand upon delivery is calculated using the FIFO method. The cost of maintenance and repair parts upon delivery is calculated using the weighted average method.

15.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

15.1.4 Amortization method for low-value consumables and packaging materials

Low value consumables and packaging materials are amortized using the immediate write-off method.

15.2 Recognition criteria and provision method for decline in value of inventories

At the balance sheet date, the inventories are measured at the lower of the cost and the net realizable value. If the net realizable value is lower than the cost, the provision for decline in value of inventories should be made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

15.3 Categories of portfolios for which provision for decline in value of inventories is made on a portfolio basis and the basis for determination, and the basis for determining the net realizable value of different categories of inventories

For large quantity and low value items of inventories, provision for decline in value is made based on categories of inventories, i.e., wind turbine equipment, kitchen waste disposal equipment, power batteries, real estate inventories and others, respectively. The net realizable value of each category of inventories is determined based on the contract prices or market prices for similar goods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Contract assets

16.1 Determination method and criteria for contract assets

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

16.2 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The contract assets are categorized into following portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: historical credit losses, nature of the customers, etc.

Category of portfolio	Basis for determination
Portfolio I	Government and related parties
Portfolio II	Customers in wind turbine generators sales industry (warranty deposits receivable)
Portfolio III	Customers in kitchen waste disposal industry
Portfolio IV	Other third parties other than those in Portfolio I, II and III

16.3 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

For Portfolio III and IV, the Group adopts the aging of contract assets as a credit risk characteristic to determine the credit losses using an impairment matrix. The aging is calculated from the date of initial recognition.

16.4 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on contract assets for which the customers clearly lack the ability to repay debts on an individual basis due to the fact that such contract assets are expected to be irrecoverable.

17. Non-current assets or disposal groups classified as held-for-sale

17.1 Recognition criteria and accounting methods for non-current assets or disposal groups classified as held-for-sale

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale (including an exchange of non-monetary assets that have commercial substance) rather than continuing use.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Non-current assets or disposal groups classified as held-for-sale (Continued)

17.1 Recognition criteria and accounting methods for non-current assets or disposal groups classified as held-for-sale (Continued)

Non-current assets or disposal groups classified as held for sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

The Group measures the no-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, the carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognized in impairment losses of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held-for-sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment losses of assets recognized after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. Impairment losses of assets recognized before they are classified as held for sale will not be reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortized, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognized.

All or part of equity investments in an associate or joint venture are classified as held-for-sale assets. For the part that is classified as held-for-sale, it is no longer accounted for using the equity method since the date of the classification.

17.2 Recognition criteria and presentation method for discontinued operations

A discontinued operation is a component of the Group that can be clearly distinguished and satisfies one of the following conditions, and such component has been disposed of or is classified as held-for-sale:

– Such component represents a separate major line of business or geographical area of operations;

– Such component is part of the separate major line of business or geographical area of operations to be disposed of based on the associated plan;

– Such component is a subsidiary acquired exclusively for the purpose of resale.

Gains or losses from discontinued operations are presented separately from those from continuing operations in the statement of profit or loss and other comprehensive income. Operating gains or losses such as impairment losses from discontinued operations and the amount of reversals, and the gains or losses from disposals are presented as discontinued operations. For discontinued operations presented in the current period, the Group restates the information previously presented as gains or losses from continuing operations in the financial statements for the period as discontinued operations in the comparable accounting period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments

18.1 Determination criteria of joint control and significant influence

Control is achieved when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those polices. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effects of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible have been considered.

18.2 Determination of initial investment costs

For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of owners' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the aggregate of cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is determined in accordance with the shares of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, with the aggregate face value of the shares issued accounted for as equity, and the difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions and ultimately constitute a business combination involving entities under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the initial investment cost of the long-term equity investment is the share of the carrying amount of owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between the initial investment cost and the sum of the carrying amount of long-term equity investments prior to the combination and the carrying amount of the additional consideration paid for shares acquired at the date of combination is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Other comprehensive income recognized for the equity investments prior to the combination that are accounted for using the equity method or investments in non-trading equity instruments designated as at FVTOCI is not subject to accounting treatment temporarily.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.2 Determination of initial investment costs (Continued)

For a long-term equity investment acquired through business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is deemed as the initial investment cost of long-term equity investments that was changed to be accounted for using cost method. If the equity previously held is accounted for using the equity method, the corresponding other comprehensive income is not subject to accounting treatment temporarily. If the equity investment previously held is classified as investments in non-trading equity instruments designated as at FVTOCI, the difference between the fair value and carrying amount, together with the accumulated changes in fair value previously included in other comprehensive income are transferred to retained earnings.

The intermediary fees incurred by the absorbing party or acquirer in respect of auditing legal services, valuation and consultancy services, etc. and other related administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

18.3 Subsequent measurement and recognition of profit or loss

18.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

18.3.2 Long-term equity investments accounted for using the equity method

Investments in associates and joint ventures are accounted for using the equity method, except for investments in associates and joint ventures that are classified in whole or in part as financial assets held for sale. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.3 Subsequent measurement and recognition of profit or loss (Continued)

18.3.2 Long-term equity investments accounted for using the equity method (Continued)

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; the share of changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve, and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Group's transactions with its associates and joint ventures where assets contributed or sold do not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with the investee which represent impairment losses on the transferred assets are not eliminated. Where the assets contributed by the Group constitute a business, and the investor receives long-term equity investment without the acquisition of controlling rights, the fair value of the investment business should be considered as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the carrying amount of the investment business will be entirely included in profit or loss for the period. Where the assets sold by the Group constitute a business, the difference between the consideration obtained and the carrying amount of the business will be entirely included in profit or loss for the period. The assets purchased by the Group from associates and joint ventures that constitute a business will be dealt with on the basis of *Accounting Standards for Business Enterprises No. 20 – Business Combinations* and be entirely accounted for as trading profits or losses.

The Group recognizes its share of net losses of the investee to the extent that the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. In addition, if the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognized using the equity method is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognized due to changes in other owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognized using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee, is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

Where the Group loses control over the investee due to disposal of part of equity investment, during preparing separate financial statement, remaining interest after disposal which can make joint control or significant influence over the investee is accounted for using the equity method, and adjusted as if it is accounted for using the equity method since the acquisition date. If remaining interest after disposal cannot make joint control or significant influence over the investee, it is accounted for in accordance with the standards for the recognition and measurement of financial instruments, and the difference between the fair value on the date of losing control and the carrying amount is recognized in profit or loss for the period. Other comprehensive income previously recognized using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period. If remaining interest after disposal is accounted for using the equity method, other comprehensive income and other owners' equity are transferred on a pro rata basis. If remaining interest after disposal is accounted for in accordance with the standards for the recognition and measurement of financial instruments, other comprehensive income and other owners' equity are transferred in their entirety.

Where the Group loses joint control or significant influence over the investee due to disposal of part of equity investment, remaining interest after disposal is accounted for in accordance with the standards for the recognition and measurement of financial instruments, and the difference between fair value on date of losing joint control or significant influence and carrying amount is recognized in profit or loss for the period. Other comprehensive income previously recognized using the equity method is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities when stopping using the equity method, and owners' equity recognized due to changes in other owners' equity (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period in its entirety when stopping using the equity method.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.4 Disposal of long-term equity investments (Continued)

The Group loses control over the subsidiaries through step-by-step transactions of disposal of its equity investment in the subsidiaries. Where such transactions are a "package deal", they are accounted for as a transaction of disposal of subsidiary to lose control. The difference between the proceeds from each disposal before losing control and the carrying amount of long-term equity investment corresponding to the disposed investment is first recognized as other comprehensive income and then transferred to profit or loss for the period in which the control is lost.

19. Investment properties

Investment property is property held to earn rents or for capital appreciation or both. It includes car parking spaces that are leased out and buildings.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

The Group adopts the cost model for the subsequent measurement of investment properties. Investment properties are depreciated over their useful lives using the straight-line method. The depreciation method, depreciation life, estimated residual value rate and annual depreciation rate of each category of investment properties are as follows:

Category	Depreciation method	Depreciation life (year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Car parking spaces	Straight-line method	30	5.00	3.17
Buildings	Straight-line method	20	5.00	4.75

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Fixed assets

20.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rents to others, or for administrative purposes, and have useful lives of over 1 accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

20.2 Depreciation methods

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation method, depreciation life, estimated residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Depreciation life (year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line	20-30	5.00	3.17-4.75
Traffic equipment	Straight-line	5-11	0.00-10.00	8.18-20.00
Machinery and equipment	Straight-line	5-20	4.00-5.00	4.75-19.20
Motor vehicles	Straight-line	5-6	5.00	15.83-19.00
Office and other equipment	Straight-line	3-5	0.00-5.00	19.00-33.33

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

20.3 Other particulars

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the depreciation life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in accounting estimates.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Construction in progress

Construction in progress is measured at its actual construction expenditures, including various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use. The criteria and point in time for carrying forward each category of construction in progress to fixed assets are as follows:

Category	Criteria for carrying forward to fixed assets	Point in time for carrying forward to fixed assets
Expressway electromechanical engineering	When it is ready for intended use	When it is handed over and accepted as qualified
Expressway building construction engineering	When it is ready for intended use	When it is handed over and accepted as qualified
Expressway subgrade, pavement, bridge and culvert engineering	When it is ready for intended use	When it is handed over and accepted as qualified
Others	When it is ready for intended use	When it is handed over and accepted as qualified

22. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than three months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income from the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures

Intangible assets include franchise rights (toll road and kitchen waste disposal project), billboard land use right, patent use right, land use right, contract rights, office software and others, etc.

An intangible asset is measured initially at cost. Subsequent expenditures incurred for the intangible asset are included in the cost of the intangible asset when it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

If the fees charged by the Group to those who receive public products and services during the period of operation of PPP project such as kitchen waste disposal and toll road do not constitute an unconditional right to receive cash, the consideration amount of the relevant PPP project assets or the amount of construction income recognized shall be recognized as intangible asset of franchise rights when the PPP project assets are ready for intended use.

The franchise rights of the toll roads invested by the state-owned shareholders on 1 January 1997 were stated at valuation performed by the asset valuation firms and the values were certified by the State-owned Assets Supervision and Administration Bureau ("SASAB") in accordance with Guo Zi Ping (1996) No. 911. The land use right relating to Shenzhen Airport-Heao Expressway (Western Section) invested to the Company by the promoter of the Company during the restructuring period of the Group was stated at the then revaluation amount admitted by the SASAB on 30 June 1996. The land use right relating to Meiguan Expressway and Shenzhen Airport-Heao Eastern Company Expressway (Eastern Section) owned by Shenzhen Meiguan Expressway Company Limited ("Meiguan Company") and Shenzhen Airport-Heao Expressway (Eastern Section) Company Limited (Airport-Heao Eastern Company), the subsidiary, were invested by Xin Tong Chan Development (Shenzhen) Company Limited ("Xin Tong Chan Company"), one of the promoters of the Company, at the value determined by the cooperating parties.

(1) Franchise rights

(a) Toll road

Franchise rights associated with the toll roads refer to the rights granted by the respective grantors, which entitle the Group to receive the toll fees from users and the land use right obtained in conjunction with the franchise contracts.

When toll roads are ready for their intended use, amortization of franchise rights is calculated to write off their costs on the traffic volume method. As to amortization of franchise rights, the amortization amount per standard traffic volume ("unit amortization amount") is calculated based on total standard traffic volume predicted during the operating period of each toll road and the cost/carrying amount of the franchise rights associated with toll roads, then the franchise rights are amortized based on the actual traffic volume during each accounting period and the unit amortization amount.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures (Continued)

(1) Franchise rights (Continued)

(a) Toll road (Continued)

The Group has set policies to execute internal review on the total projected traffic volume during the operating period annually. The Group also appoints an independent professional traffic consultant to perform independent professional traffic studies when large differences between actual traffic volume and projected traffic volume exist, or every 3 to 5 years and then adjust the unit amortization amount according to the revised total projected traffic volume, to ensure that the respective franchise rights would be fully amortized in the operating period.

The unit amortization amounts of toll roads are set out as follows:

Item	Unit amortization amount (RMB)
Meiguan Expressway	0.53
Shenzhen Airport-Heao Expressway (Western Section)	0.35
Shenzhen Airport-Heao Expressway (Eastern Section)	1.73
Qinglian Expressway (Note 1)	49.38
Shuiguan Expressway	5.66
Changsha Ring Road (North-western Section) (“Changsha Ring Road”)	2.91
Coastal Expressway	9.32
Outer Ring Expressway Phase I (Note 2&3)	4.20
Outer Ring Expressway Phase II (Note 3)	1.11
Longda Expressway	0.25

Note 1: The cost of franchise rights for Qinglian Expressway increased in the current year, with the unit amortization amount adjusted from RMB47.82 to RMB49.38.

Note 2: The cost of franchise rights for Outer Ring Expressway Phase I increased in the current year, with the unit amortization amount adjusted from RMB3.95 to RMB4.20.

Note 3: The operating period of Outer Ring Expressway has not yet been approved and the unit amortization amount is calculated based on the tentatively estimated operating period of 25 years.

(b) Kitchen waste disposal project

Franchise rights related to kitchen waste disposal are amortized on a straight-line basis during the period of franchise operation.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures (Continued)

(2) Other intangible assets

The amortization method, useful life and residual value rate of other intangible assets are as follows:

Category	Amortization method	Useful life (year)	Basis to determine the useful life	Residual value rate
Billboard land use right	Straight-line	5	Year(s) as agreed in the contract	–
Patent use right	Straight-line	5-10	Year(s) as agreed in the contract/Useful life as stipulated by law	–
Land use rights	Straight-line	20-50	Useful life as stipulated in the land use certificate	–
Contract rights	Straight-line	10	Year(s) as agreed in the contract	–
Software and others	Straight-line	2-10	Expected updated cycle	–

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the year, and makes adjustments when necessary.

For details of the impairment test of intangible assets, see Note III, 24 "Impairment of long-term assets".

23.2 Scope of R&D expenditures and accounting treatment

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period:

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale,
(2) The Group has the intention to complete the intangible asset and use or sell it,
(3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,
(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset,
(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. Costs of intangible assets generated from internal development activities only include total expenditures incurred from the point of time that qualify for capitalization till the intangible asset is ready for intended use. Expenditures which have been recognized as expenses into profit or loss before the same intangible asset that qualify for capitalization during the development course will not be adjusted any longer.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

23.2 Scope of R&D expenditures and accounting treatment (Continued)

The scope of R&D expenditures includes wages, salaries, and welfare expenses of personnel directly engaged in R&D activities, materials, fuel, and power expenses directly consumed in R&D activities, depreciation expenses for instruments and equipment used in R&D activities, rental and maintenance expenses for R&D sites, travel, transportation, and communication expenses required for research and experimental development, etc. Technical feasibility and economic viability studies are adopted as specific criteria for classifying the research and development phases.

24. Impairment of long-term assets

The Group reviews the long-term equity investments, investment properties measured using cost model, fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful life at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life or not yet ready for use are tested for impairment every year no matter whether there is any indication the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related asset group(s), i.e., goodwill is reasonably allocated to the related asset group(s) or each of asset group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the asset group or sets of asset groups (including goodwill) is less than its carrying amount. The impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to such asset group or sets of asset groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once the impairment loss of such assets is recognized, it will not be reversed in any subsequent period.

25. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent years (together of over one year). Long-term prepaid expenses are averagely amortized over the expected benefit period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received or is expected to receive a consideration from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

27. Employee benefits

27.1 Accounting treatment of short-term employee benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when they actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

27.2 Accounting treatment of post-employment benefits

Post-employment benefits are all defined contribution plans.

During the accounting period in which employees provide services to the Group, the amount which should be paid according to defined contribution plans is recognized as liabilities, and included in profit or loss or related costs of assets.

27.3 Accounting treatment of termination welfare

The Group provides termination welfare to employees, and employee benefits liabilities generated from termination welfare are recognized at the earlier of the following two dates, and recognized in profit or loss for the period: When the Group cannot withdraw provided termination welfare because of severing labor relationship or reduction of suggested amount; when the Group recognizes costs or expenses related to termination welfare payment.

27.4 Accounting treatment of other long-term employee benefits

For other long-term employee benefit, where the definition of defined contribution plans is met, it is accounted for according to related requirements of defined contribution plans. Otherwise, net liabilities or net assets of such other long-term employee benefit are recognized and measured according to related requirements of defined benefit plans. At the end of the reporting period, cost of employee benefit generated from other long-term employee benefit comprises service cost, net interest of net liabilities or net assets of other long-term employee benefit and changes arising from re-measurement of net liabilities or net assets of other long-term employee benefit. Net value of these items is recognized in profit or loss or cost of related assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency such as product warranty, onerous contract or restructuring, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. Each category of provisions is measured as below:

Item	Method for measurement
Cost of services in the future	Present value of expected cost of services in the future
Subsequent expenditure on kitchen waste disposal project	Present value of expected subsequent expenditure on the project
Product warranty deposits	Expected subsequent expenditure calculated based on historical warranty expenditure ratio
Pending litigation or arbitration	Expected compensation expenditure

29. Preferred stock, perpetual bonds and other financial instruments

Other financial instruments including preferred stocks and perpetual bonds issued by the Group are measured as equity instruments when they satisfy all the following criteria:

(1) The financial instruments do not include cash or other financial assets delivered to other parties, or contractual obligations to exchange financial assets or liabilities with other parties under potential disadvantages;

(2) When the Company's own equity instrument is required to or available to be used for settlement of the financial instrument, it does not include the contractual obligations to settle the Company's own variable equity instruments if it is a non-derivative instrument; if it is a derivative instrument, the Group can only settle the instrument by exchanging certain amount of its own equity instruments with fixed amount of cash or other financial assets.

Except for other financial instruments that can be classified as equity instruments described above, other financial instruments issued by the Group are classified as financial liabilities.

For other financial instruments including preferred stocks and perpetual bonds classified as financial liabilities, interest expenses or dividend distributions are treated as borrowing costs, and the gains or losses arising from the re-purchase or redemption are recognized in profit or loss for the period. When the financial liability is measured at amortized cost, related transaction costs are included in initial measurement.

For other financial instruments including preferred stocks and perpetual bonds classified as equity instruments, interest expenses or dividend distributions are recorded as the profit distribution of the Group; the repurchase, cancellation etc. are accounted for as changes in equity, and related transaction costs are deducted from the equity.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business

The Group's revenue is mainly derived from toll roads and environmental protection.

The Group recognizes revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers distinct goods or services to a customer in the contract.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the performance obligation is satisfied during a period of time or at a point in time. It is a performance obligation satisfied during a period of time and the Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) the goods generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which has been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

The Group adopts input method, i.e. the input by the Group for purpose of fulfilment of performance obligation to determine the appropriate progress of performance. Where the progress cannot be determined reasonably, the revenue is recognized based on the amount of cost that is expected to be compensated for the cost already incurred, until the progress of performance is reasonably determined.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. In determining the transaction price, the Group should consider the effects of variable consideration, significant financing components in the contract, non-cash consideration and consideration payable to customers.

If there are two or more performance obligations included in the contract, at the contract inception, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)

In case of the existence of variable consideration in the contract, the Group shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be included in transaction price.

If the customer pays non-cash consideration, the Group determines the transaction price based on the fair value of the non-cash consideration. If the fair value of non-cash consideration cannot be reasonably estimated, the Group shall determine the transaction price indirectly by reference to the stand-alone selling price of the goods or services promised to transfer to the customer.

For sales that are affixed with terms of sales return, as the customer obtains control of related goods, the Group recognizes revenue based on the consideration (excluding expected refund amounts due to sales returns) that the Group is expected to charge due to the transfer of goods to the customer, and recognizes liabilities based on the expected refund amounts due to sales returns. Meanwhile, the carrying amount at the time of transfer of goods expected to be returned, subsequent to deduction of expected costs from collecting the goods (including the decrease in value of the returned goods), is recognized as an asset and carried forward to cost at the carrying amount at which goods are transferred, net of the cost of asset.

For sales with warranty terms, if the warranty provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the warranty constitutes a single performance obligation. Otherwise, the Group will account for the warranty responsibility in accordance with the Accounting Standards for Business Enterprises No. 13 – Contingencies.

In case of the existence of a significant financing component in the contract, the Group shall determine the transaction price on the assumption that the customer has paid the amount payable by cash when obtaining the control over the goods or services. Differences between transaction price and contract consideration are amortized using effective interest method during the contract life. At contract inception, if the period between when the Group transfers promised goods or services to a customer and when the customer pays for the goods or services will be one year or less, the Group will not consider the significant component in the contract.

The Group assesses whether it controls specified goods or services before the goods or services are transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified goods or services before the goods or services are transferred to a customer, the Group is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined in accordance with the established commission amount or percentage, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)

Where the Group receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Group's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Group recognizes the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Group expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Group reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

The specific revenue recognition criteria of the Group are as follows:

(1) The Group's revenue from operation of toll roads is recognized when the related services have been provided and economic benefits associated with the services are likely to flow into the Group.

(2) The Group's revenue from sales of wind turbine equipment, kitchen waste disposal equipment and other commodities are recognized when the customer obtains the control over the goods.

(3) For engineering construction services provided, the Group determines the performance progress and recognizes revenue according to the proportion of the cost incurred to the estimated total cost.

(4) The Group's revenue from real estate sales is recognized when (1) the real estate is completed and accepted as qualified, (2) the real estate meets the delivery conditions as agreed in the sales contract, and (3) the customer obtains the control over relevant goods or services.

(5) The Group's revenue from entrusted highway operation and management and maintenance services is recognized on a straight-line basis over the contract period.

(6) The Group has signed cooperation agreements with government departments to participate in the construction of toll roads and kitchen waste disposal projects. During the construction period, the construction service provided by the Group shall be regarded as the performance obligations performed within a certain period and the construction revenue shall be recognized by the completion percentage method in accordance with the proportion of the incurred costs to estimated total costs. During the commercial operating period, the revenue from kitchen waste disposal shall be recognized according to the actual amount of waste disposal and the unit price agreed in the waste disposal agreement. Revenue from sales of electric power shall be recognized according to the on-grid electric quantity and the unit price agreed in the electricity purchase and sale contract when the electric power has been produced and connected to the grid. Revenue from sales of grease shall be recognized according to the actual grease sales volume and the unit price agreed in the agreement when the customer obtains the control over relevant goods.

30.2 Similar operations under different business models which involve different revenue recognition and measurement methods

The Group has no similar operations under different business models which involve different revenue recognition and measurement methods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Contract costs

31.1 Costs of obtaining contracts

If the incremental cost (cost that will not occur if no contract obtained) incurred for obtaining the contract is expected to be recovered, the Company recognizes it as an asset and the asset shall be amortized on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognized in profit or loss for the period. If the amortization period of the asset does not exceed one year, it is recognized in profit or loss for the period when incurred. Other expenses incurred by the Company for obtaining the contract are recognized in profit or loss for the period when incurred, except for those explicitly assumed by the customer.

31.2 Costs to fulfill contracts

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria: 1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; 2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and 3) the costs are expected to be recovered. The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

31.3 Impairment losses of assets related to contract costs

In determining the impairment losses of assets related to contract costs, the Group first determines the impairment losses of other assets related to contracts recognized in accordance with other ASBEs; then, for assets related to contract costs, if the carrying amount of the assets is higher than the difference between: (1) the remaining consideration that the Group expects to obtain for the transfer of the goods or services related to the asset; and (2) the estimated costs to be incurred for the transfer of the related goods or services, any excess is provided for impairment and recognized as impairment losses of assets.

After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and recognized in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Categories of government grants and accounting treatment methods

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognized immediately in profit or loss for the period.

32.1 Determination basis and accounting treatment of government grants related to assets

Government grants of the Group mainly include equipment subsidies, which are government grants related to assets.

A government grant related to an asset is recognized as deferred revenue and will be included in profit or loss over the useful life of the related asset with the straight-line method.

32.2 Determination basis and accounting treatment of government grants related to income

Government grants of the Group include tax refunds, government incentive funds and special funds for treasury bonds allocated to major national construction projects, which are government grants related to income.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred revenue, and recognized in profit or loss over the periods in which the related costs are recognized; if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

For repayment of a government grant already recognized, if there is related deferred revenue, the repayment is offset against the gross carrying amount of the deferred revenue, and any excess is recognized in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

The Group assesses whether a contract is or contains a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

33.1 The Group as a lessee

33.1.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Group will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

33.1.2 Right-of-use assets

Except for short-term leases and leases of low value assets, at the commencement date of the lease, the Group recognizes a right-of-use asset. The Group's right-of-use assets mainly consist of buildings.

The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs incurred to produce inventories.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of *Accounting Standards for Business Enterprises No. 4 – Fixed Assets*. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Group is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

The Group applies *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets*, to determine whether the right-of-use assets are impaired and to account for any impairment loss identified.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

33.1.3 Lease liabilities

Except for short-term leases and leases of low value assets, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate, and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease, the Group re-measures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Group will recognize the difference in profit or loss for the period:

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate. If the change of lease payment comes from the change of floating interest rate, the revised discount rate shall be used to calculate the present value.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

33.1.4 Determination basis and accounting treatment for short-term leases and leases of low value assets under simplified approach as a lessee

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets, is a lease that the single underlying asset, when is new, is no more than RMB50,000.00. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

33.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the lease modification expanded the scope of the lease by adding the right-of-use of one or more leased assets; and
- the increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and re-measures lease liabilities based on the changed lease payments and the present value calculated by the revised discount rate.

If the lease modification results in a reduction in the lease scope or lease term, the carrying amount of the right-of-use assets will be reduced, and the gains or losses relevant to the lease partially of fully terminated will be included in profit or loss for the period; for other lease modifications resulting in the remeasurement of lease liabilities, the carrying amount of right-of-use assets is adjusted accordingly.

33.1.6 Sale and leaseback transactions

The Group as seller-lessee

The Group applies the requirements of the ASBE No. 14 Revenue to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset does not constitute a sale, the Group shall continue to recognize the transferred assets and recognize a financial liability equal to the transfer proceeds in accordance with the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*. If the transfer of an asset is a sale, the Group shall measure the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use, and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor

33.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Revenue Standards on allocation of transaction prices, based on the respective stand-alone prices of the lease components and the non-lease components.

33.2.2 Classification criteria and accounting treatment of leases as a lessor

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

33.2.2.1 The Group as a lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the period on the same basis as recognition of rental income over the lease term.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when incurred.

33.2.2.2 The Group as a lessor under finance leases

At the commencement date, the Group recognizes a finance lease receivable at the amount equal to the net investment in the lease with finance lease assets derecognized. The net investment in the lease is the sum of any unguaranteed residual value and lease receipts from the commencement date, discounted at the interest rate implicit in the lease.

The receipts of the lease refer to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- fixed payments (including in-substance fixed payments) paid by the lessee, less any lease incentives;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option, provided that it is reasonably determined that the lessee will exercise the option;
- the amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects the lessee’s exercise of the option to terminate the lease;
- the residual value of the guarantee provided by the lessee, the party concerned with the lessee and the independent third party with the financial ability to perform the guarantee obligation.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor (Continued)

33.2.2 Classification criteria and accounting treatment of leases as a lessor (Continued)

33.2.2.2 The Group as a lessor under finance leases (Continued)

The variable lease receipts that are not included in the measurement of net lease investment are recognized in profit or loss when incurred.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate.

33.2.3 Subleases

As the lessor of a sublease, the Group accounts for the original lease contract and the sublease contract as two separate contracts. The Group classifies the subleases based on the right-of-use assets generating from the original lease rather than the underlying assets of the original lease.

33.2.4 Lease modifications

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any advances from customers or lease receivable relating to the original lease as part of the lease receivable for the new lease.

The Group will account for the lease modification to a finance lease as an individual lease, when it satisfies all the following criteria:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- The increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Group shall account for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group shall account for the lease modification as a new lease from the effective date of the modification, and measure the carrying amount of the underlying asset as the net investment in the lease before the effective date of the lease modification.

- If the lease would have been classified as a finance lease had the modification been in effect at the inception date, the Group shall apply the requirements of contract modification and renegotiation under the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor (Continued)

33.2.5 Sale and leaseback transactions

The Group as buyer-lessor

If the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Group does not recognize the transferred asset but a financial asset equal to the transfer proceeds in amount, and accounts for such financial asset under the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*. If the transfer of an asset constitutes a sale, the Group accounts for the purchase of the asset in accordance with other applicable Accounting Standards for Business Enterprises and accounts for the lease of the asset.

34. Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

34.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

34.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) and does not result in taxable temporary differences and deductible temporary differences at equal amounts, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Deferred tax assets/deferred tax liabilities (Continued)

34.2 Deferred tax assets and deferred tax liabilities (Continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized and are expected to be reversed in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized, or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity, and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

34.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Other significant accounting policies and accounting estimates

Segment information

The Group identifies operating segments based on the internal organization structure, management requirements and internal reporting system, and discloses segment information of reportable segments which are determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenue and incur expenses from its ordinary activities; (2) the component's operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance; (3) the information on the financial position, operating results and cash flows of the segment is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

36. Changes in significant accounting estimates

Change in accounting estimates of unit amortization amount of Coastal Expressway

RMB

Content of and reasons for changes in accounting estimates	Time point at which the application begins	Name of items in the financial statements subject to significant impact	Amount of impact
Change in accounting estimates of unit amortization amount of franchise rights – Coastal Expressway	1 July 2025	Intangible assets and cost of services	41,943,336.55

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Changes in significant accounting estimates (Continued)

Change in accounting estimates of unit amortization amount of Coastal Expressway (Continued)

Due to factors such as the lower-than-expected positive impact from the operation of Coastal Expressway Phase II and Shenzhen-Zhongshan Link, the actual traffic volume of Coastal Expressway differs from total projected traffic volume and such difference is expected to persist for some time. The Group re-predicts the total projected traffic volume of Coastal Expressway in the remaining operating period and adjusts the unit amortization amount of Coastal Expressway from RMB7.09/vehicle to RMB9.32/vehicle based on the updated total projected traffic volume. This change in accounting estimates is effective from 1 July 2025, and the impact of which on the Group's consolidated financial statements for the year 2025 is as follows:

RMB

Items in the consolidated statement of financial position	Amount of impact
Decrease in intangible assets	41,943,336.55
Increase in deferred tax assets	10,485,834.14
Decrease in equity attributable to shareholders of the Company	26,938,097.41
Decrease in minority interests	4,519,405.00

Items in the consolidated statement of profit or loss and other comprehensive income	Amount of impact
Increase in cost of services	41,943,336.55
Decrease in income tax expenses	10,485,834.14
Decrease in net profit	31,457,502.41
Decrease in net profit attributable to shareholders of the Company	26,938,097.41
Decrease in profit or loss attributable to minority shareholders	4,519,405.00

The change in accounting estimates mentioned above will have a certain impact on the amortization of the franchise rights of Coastal Expressway in the future accounting period.

37. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of accounting policies as set out in Note III, the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainties of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates. The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

37. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates (Continued)

Key assumptions and uncertainties in accounting estimates

The followings are the key assumptions and uncertainties in accounting estimates at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods:

(1) Amortization of franchise rights associated with toll roads

As stated in Note III, 23.1(1)(a), amortization of franchise rights associated with toll roads is provided under the traffic volume method. Appropriate adjustments to the amortization of franchise rights associated with toll roads will be made when there is a large difference between total projected traffic volume and the actual results.

The management of the Company performs periodic assessment of the total projected traffic volume. The Group will appoint an independent professional traffic consultant to perform independent professional traffic studies in order to make an appropriate adjustment if there is a large and continuous difference between projected and actual traffic volume.

(2) Impairment of franchise rights

In performing impairment testing for franchise rights associated with kitchen waste disposal, the management of the Company calculates the present value of future cash flows to determine the recoverable amount. The assumptions of calculating the franchise rights associated with kitchen waste disposal project include the per unit waste disposal fee, production/processing capacity, operation duration, operating expenses and costs, and necessary return rate.

Under the above assumptions, if the carrying amount of the franchise rights is higher than the recoverable amount, the management of the Group will make a provision for the impairment of such franchise rights. The Group is going to review the relevant items closely and continually. Adjustments will be made during the corresponding period once there is any indication for adjustment of the accounting estimates.

(3) Measurement of ECL on receivables

The Group classifies receivables into several portfolios based on their credit risk characteristics. On the basis of these portfolios, the Group calculates the ECL and recognizes bad debt provision by considering the exposure at default and the ECL rate. The management makes comprehensive judgments and estimates primarily based on customers’ credit status, contract performance capability, and their current operating conditions. The Group regularly monitors and reviews the assumptions related to the calculation of ECL. When considering forward-looking information, the indicators adopted by the Group include risks of economic downturn, external market conditions, technological environment, changes in customer circumstances, etc.

If the actual credit losses differ from the original estimates, the difference will affect the carrying amount of the Group’s financial assets in future periods.

IV. TAXATION

1. Main categories and rates of taxes:

Category	Tax base	Tax rate
Value added tax ("VAT")	Income from sale of goods and rendering of services (Note 1)	13%
	Income from real estate development	9%
	Taxable advertisement income	6%
	Income from entrusted management service and other businesses	6%
	Income from expressway toll road business	3% (Simple Method)
	Income from leases of tangible movable property	13%
	Income from sale and lease back business of tangible movable property	6%
	Construction income	9%
	Income from sale of electricity	13%
	Operating income from waste disposal (Note 1)	6%
	Property operating lease income	5% (Simple Method)
City maintenance and construction tax	Amount of commodity turnover tax payable	7%, 5%
Educational surcharge	Amount of commodity turnover tax payable	3%
Local educational surcharge	Amount of commodity turnover tax payable	2%
Construction fee for culture undertakings	Amount of advertising turnover	3%
Enterprise income tax ("EIT")	Taxable income	Except subsidiaries in the following table, 25%
Land appreciation tax	Gain on the transfer of real estate	Four-level progressive rates, 30%-60%

IV. TAXATION (CONTINUED)

1. Main categories and rates of taxes: (Continued)

The entities with different EIT rates are disclosed as follows:

Name of the entity	Income tax rate
Shenzhen Investment Holdings Bay Area Development Co., Ltd. ("Bay Area Development") (Note 2)	16.5%
WilberforceInternationalLtd. ("Wilberforce") (Note 2)	
Jiehao (British Virgin Islands) Co., Ltd. ("Jiehao") (Note 2)	
Shenzhen Investment Holdings Bay Area Management Company Limited ("Bay Area Management")	
Shenzhen Investment Holdings Bay Area Service Company Limited ("Bay Area Service")	
Shenzhen Investment Holdings Bay Area Financing Company Limited ("Bay Area Financing")	
Hopewell Guangzhu Expressway Development Co., Ltd. ("Hopewell Guangzhu Expressway")	
KINGNICE (BVI) LIMITED ("KINGNICE") (Note 2)	
Hopewell China Development (Superhighway) Limited ("Hopewell China Development")	

Note 1: According to the provisions of the *Announcement of the State Taxation Administration on Clarifying Several Issues Concerning the Administration of Collection of Value-Added Tax on the Dealing of Used Vehicles and Other Items* (Announcement No. 9 [2020] of the State Taxation Administration), taxpayers entrusted to conduct professional treatment of waste such as garbage, sludge, wastewater, and exhaust gases shall apply VAT rates in accordance with the following rules. Specifically, where goods are generated after the professional disposal and the goods belong to the entrusting party, it shall be deemed that the entrusted party provides the "processing services", and the VAT rate of 13% shall apply to the disposal expenses it collects; where goods are generated after the professional disposal and the goods belong to the entrusted party, it shall be deemed that the entrusted party provides the "professional technical services", and the VAT rate of 6% shall apply to the disposal expenses it collects; where the entrusted party sells the goods, it is subject to the VAT rate for goods.

Note 2: The company was incorporated outside Hong Kong and registered in Hong Kong as a non-Hong Kong company, subject to Hong Kong income tax at a rate of 16.5%.

2. Tax preference

(a) Preferential policies on immediate refund of VAT for the portion of actual VAT burden exceeding 3%

According to the provisions of the *Notice of the Ministry of Finance and the State Taxation Administration on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner* (Cai Shui No. 36 [2016]), general taxpayers providing pipeline transportation services, financing lease services for tangible movable property, and financing sale-and-leaseback services for tangible movable property will enjoy immediate refund of VAT for the portion of actual VAT burden exceeding 3%. Shenzhen Expressway Financial Leasing Co., Ltd. ("Financial Leasing Company") provides sale-and-leaseback services for tangible movable property and thus enjoys the above tax preferences.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(b) VAT refund upon payment for products and labor services involving the comprehensive utilization of resources

According to the provisions of the *Notice of the Ministry of Finance and the State Taxation Administration on Issuing the Catalogue of Value-Added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources* (Cai Shui No. 78 [2015]), general taxpayers engaged in the sale of products made by themselves through comprehensive utilization of resources and the provision of services involving the comprehensive utilization of resources may enjoy the VAT policy of immediate refund upon payment. The specific names of the comprehensively-utilized resources, the names of the products and services involving comprehensive utilization, the technical standards, related requirements, and the rate of tax refunds, etc., shall be governed by the relevant provisions of the *Catalogue of the Value-added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources* (the "*Catalogue*") as annexed to the Notice. Guiyang Beier Bioland Environmental Technologies Co., Ltd. ("Guiyang Beier Bioland"), Shaoyang Shengao Environmental Technology Co., Ltd. ("Shaoyang Shengao Environmental") and Shenzhen Lisai Environmental Protection Technology Co., Ltd. ("Lisai Environmental Protection") satisfy items 4.1 and 5.1 under the *Catalogue* and are entitled to the above tax preferences for income from sale of bio-oil and biomass crushing materials, biogas power generation, waste treatment subsidy and sludge disposal services, which are generated from kitchen waste disposal. Fuzhou Bioland Environmental Protection Co., Ltd. ("Fuzhou Bioland") satisfies items 2.9, 4.3 and 5.1 under the *Catalogue* and is entitled to the above tax preferences for income from biogas power generation, waste treatment and sludge disposal services, which are generated from kitchen waste disposal. Sichuan Lansheng Environmental Protection Technology Co., Ltd. ("Sichuan Lansheng") satisfies items 4.1 and 5.1 under the *Catalogue* and is entitled to the above tax preferences for income from sale of bio-oil and biomass crushing materials, biogas power generation, and waste treatment subsidy. Inner Mongolia Chenghuan Bioland Renewable Resources Co., Ltd. ("Inner Mongolia Chenghuan Bioland") satisfies items 4.1 and 4.3 under the *Catalogue* and is entitled to the above tax preferences as over 80% of its product raw materials or fuels are derived from the kitchen waste listed above.

(c) VAT exemption for elderly care services and child care services provided by elderly care institutions and child care institutions

According to the provisions of the *Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce and the National Health Commission on the Preferential Tax and Fee Policies Concerning Elderly Care, Child Care, Housekeeping and Other Community Family Services* (Announcement No. 76 [2019] of the Ministry of Finance), the income obtained from providing community elderly care, child care and housekeeping services shall be exempt from VAT. Shenzhen Expressway Shengao Lekang Health Service (Shenzhen) Co., Ltd. ("Shengao Lekang") provides community elderly care services and thus enjoys the above preferential policies. Shenzhen Guangming Fengrunjiu Health Service Co., Ltd. ("Guangming Fengrunjiu") provides community elderly care services and child care services and thus enjoys the above preferential policies.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(d) Preferential policies on three-year exemption and three-year half reduction of enterprise income tax

According to the provisions of the *Enterprise Income Tax Law of the People's Republic of China*, for income derived from the investment and operation of public infrastructure projects supported by the state, enterprises are exempt from enterprise income tax for the first three years, starting from the tax year in which the first production and business income is obtained from the project, and the enterprise income tax will be levied by half from the fourth to sixth year. Mulei Qianzhi Energy Development Co., Ltd. ("Qianzhi Company"), Mulei Qianhui Energy Development Co., Ltd. ("Qianhui Company"), Ningxia Zhongwei Xintang New Energy Co., Ltd. ("Ningxia Zhongwei"), Yongcheng Zhuneng New Energy Technology Co., Ltd. ("Yongcheng Zhuneng"), Shenzhen Expressway Shengneng Technology Co., Ltd. ("Shengneng Technology") and Shenzhen Outer Ring Expressway Investment Company Limited ("Outer Ring Company") engage in operation projects that meet the tax preferences policies for public infrastructure projects supported by the state.

Qianzhi Company, Qianhui Company, Ningxia Zhongwei and Yongcheng Zhuneng started grid-connected power generation in 2020 and obtained income from production and operation for the first time, and the enterprise income tax is exempted from 2020 to 2022 and levied by half from 2023 to 2025.

Outer Ring Company started the operation of Outer Ring Expressway on 29 December 2020 and obtained income from operation for the first time, and the enterprise income tax is exempted from 2020 to 2022 and levied by half from 2023 to 2025.

Shengneng Technology started grid-connected power generation in July 2024 and obtained income from production and operation for the first time, and the enterprise income tax is exempted from 2024 to 2026 and levied by half from 2027 to 2029.

Handan Bioland Renewable Resources Co., Ltd. ("Handan Bioland"), Zhuji Bioland Renewable Resources Co., Ltd. ("Zhuji Bioland"), Shangrao Bioland Environmental Protection Technology Co., Ltd. ("Shangrao Bioland"), Xinyu Bioland Renewable Resources Co., Ltd. ("Xinyu Bioland"), Fuzhou Bioland and Sichuan Lansheng engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2021 to 2023 and levied by half from 2024 to 2026.

Guilin Bioland Renewable Energy Co., Ltd. ("Guilin Bioland") and Inner Mongolia Chenghuan Bioland engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2022 to 2024 and levied by half from 2025 to 2027.

Shaoyang Shengao Environmental, Chuzhou Bioland Environmental Protection Technology Co., Ltd. ("Chuzhou Bioland") and Beihai Zhonglan Environment Technology Co., Ltd. ("Beihai Zhonglan") engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2023 to 2025 and levied by half from 2026 to 2028.

Shenzhen Guangming Shenzhen Expressway Environment Technology Co., Ltd. ("Guangming Environment Technology") engages in operation projects that meet the preferential policies on enterprise income tax for municipal solid waste sorting and harmless treatment & disposal project, and the enterprise income tax is exempted from 2024 to 2026 and levied by half from 2027 to 2029.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(e) Preferential policies on reduction and exemption of enterprise income tax for ethnic minority regions

According to the provisions of the *Notice of Joint Implementation of Preferential Enterprise Income Tax Policies for Ethnic Minority Autonomous Regions by Guangdong Department of Finance, Guangdong Local Taxation Bureau and Guangdong State Taxation Bureau* (Yue Cai Fa No. 11 [2017]), enterprises in Lianshan Zhuang and Yao Autonomous Counties, Liannan Yao Autonomous County and other minority areas will be exempted from the local sharing part of enterprise income tax payable (including provincial and municipal and county levels), i.e., enterprise income tax is reduced and exempted by 40%. This policy is implemented from 1 January 2018 to 31 December 2025. Shenzhen Expressway (Guangdong) New Energy Investment Co., Ltd ("Guangdong New Energy") is registered in Liannan Yao Autonomous County, and enjoys a 40% reduction of enterprise income tax.

(f) Preferential policies on enterprise income tax for the large-scale development of western China

According to the provisions of the *Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China* (Announcement No. 23 [2020] of the Ministry of Finance), the enterprise income tax is levied at a reduced rate of 15% for enterprises in encouraging industries located in Western China from 1 January 2021 to 31 December 2030. Subsidiaries of Baotou Nanfeng Wind Power Technology Co., Ltd. ("Baotou Nanfeng"), including Baotou Lingxiang New Energy Co. Ltd. ("Baotou Lingxiang"), Damaoqi Nanchuan Wind Power Co., Ltd. ("Nanchuan Wind Power"), Damaoqi Ningyuan Wind Power Co., Ltd. ("Ningyuan Wind Power"), Damaoqi Ningxiang Wind Power Co., Ltd. ("Ningxiang Wind Power") and Damaoqi Ningfeng Wind Power Co., Ltd. ("Ningfeng Wind Power") (collectively referred to as the "wind power enterprises under Baotou Nanfeng"), Mulei Qianxin Energy Development Co., Ltd. ("Qianxin Company"), Qianzhi Company, Qianhui Company, Ningxia Zhongwei, Guangxi Bioland Renewable Energy Co., Ltd. ("Guangxi Bioland"), Guilin Bioland, Sichuan Lansheng, Beihai Zhonglan, Inner Mongolia Chenghuan Bioland and Guiyang Beier Bioland are enterprises in encouraging industries located in the western region and enjoy the tax preference of calculating and paying enterprise income tax at the reduced tax rate of 15%.

(g) Preferential policies on enterprise income tax for elderly care services and child care services provided by elderly care institutions and child care institutions

According to the provisions of the *Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce and the National Health Commission on the Preferential Tax and Fee Policies Concerning Elderly Care, Child Care, Housekeeping and Other Community Family Services* (Announcement No. 76 [2019] of the Ministry of Finance), the income obtained from providing community elderly care, child care and housekeeping services shall be included in the total income at a reduced rate of 90% in the calculation of taxable income. Shengao Lekang provides community elderly care services and thus enjoys the above preferential policies. Guangming Fengrunjiu provides community elderly care services and child care services and thus enjoys the above preferential policies.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(h) Preferential policies on enterprise income tax for high-tech enterprises

Shenzhen-Shanwei Special Cooperation Zone Qiantai Technology Co., Ltd. ("Qiantai Company") obtained the High-tech Enterprise Certificate (Certificate No. GR202344206897) on 12 December 2023, which is valid for three years. According to the *Enterprise Income Tax Law of the People's Republic of China* and related regulations, Qiantai Company pays enterprise income tax at a tax rate of 15% for the years 2023, 2024 and 2025.

Shenzhen Expressway Group Digital Technology Co., Ltd. ("Expressway Digital Technology") obtained the High-tech Enterprise Certificate (Certificate No. GR202444207020) on 26 December 2024, which is valid for three years. According to the *Enterprise Income Tax Law of the People's Republic of China* and related regulations, Expressway Digital Technology pays enterprise income tax at a tax rate of 15% for the years 2024, 2025 and 2026.

Lisai Environmental Protection obtained the High-tech Enterprise Certificate (Certificate No. GR202544206341) on 25 December 2025, which is valid for three years. According to the *Enterprise Income Tax Law of the People's Republic of China* and related regulations, Lisai Environmental Protection pays enterprise income tax at a tax rate of 15% for the years 2025, 2026 and 2027.

(i) Preferential policies on enterprise income tax for small and micro enterprises

According to the provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementation of Income Tax Preferential Policies for Small and Micro Enterprises* (Announcement No. 13 [2022] of the Ministry of Finance and the State Taxation Administration) and the *Announcement on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), the annual taxable income of small and micro enterprises that is more than RMB1 million but less than RMB3 million is included in taxable income at a reduced rate of 25% and is subject to the enterprise income tax rate of 20% from 1 January 2022 to 31 December 2027.

According to the provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on Income Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households* (Announcement No. 6 [2023] of the Ministry of Finance and the State Taxation Administration) and the *Announcement on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), the annual taxable income of small and micro enterprises that is less than RMB1 million is included in taxable income at a reduced rate of 25% and is subject to the enterprise income tax rate of 20% from 1 January 2023 to 31 December 2027.

Kunshan Beier Bioland Environmental Protection Technology Co., Ltd. ("Kunshan Environmental Protection"), Nanjing Shenlu Environmental Protection Technology Co., Ltd. ("Shenlu Environmental Protection"), Ya'an Shenlan Environmental Protection Technology Co., Ltd. ("Ya'an Bioland"), Dezhou Zhonghe Environmental Protection Equipment Manufacturing Co., Ltd. ("Dezhou Zhonghe"), Longyou Bioland Environmental Technology Co., Ltd. ("Longyou Bioland"), Shenzhen Expressway Bioland Environmental Protection Technology Research and Design Institute Co., Ltd. ("Bioland Environmental Protection Technology") and Shenzhen Expressway Property Management Company Limited ("Property Management Company") are small and micro enterprises and thus enjoy the above preferential policies.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(j) Preferential policies on reduction and exemption of "Six Taxes and Two Fees" for micro and small enterprises

According to the provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households are subject to a 50% reduction in the payment of resource tax (excluding water resource tax), city maintenance and construction tax, property tax, urban land-use tax, stamp duty (excluding stamp duty on securities transactions), cultivated land occupancy tax, educational surcharge and local educational surcharge.

Shengneng Technology, Kunshan Environmental Protection, Shenlu Environmental Protection, Longyou Bioland, Ya'an Bioland, Dezhou Zhonghe, Bioland Environmental Protection Technology and Property Management Company are small and micro enterprises and thus enjoy the above preferential policies. Shenzhen Jinshen New Energy Co., Ltd. ("Jinshen New Energy") and Shengao Lekang are small-scale VAT taxpayers and thus enjoy the above preferential policies.

Shengao Lekang became a general taxpayer starting from October 2025 and will no longer be eligible for the aforementioned preferential policies.

(k) Preferential policies on exemption from property tax for three years

According to Article 9 of the *Measures for the Implementation of Property Tax in Shenzhen Special Economic Zone* (Shen Fu No. 164 [1987]), taxpayers are exempt from property tax on newly-built houses (excluding those built in violation of regulations) which are newly constructed or purchased for three years from the month following the one in which such houses are constructed or purchased.

The Company, Shenzhen Guangshen Coastal Expressway Investment Company Limited ("Coastal Expressway"), Outer Ring Company and Meiguan Company enjoy the above preferential policies.

According to the provisions of the *Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce and the National Health Commission on the Preferential Tax and Fee Policies Concerning Elderly Care, Child Care, Housekeeping and Other Community Family Services* (Announcement No. 76 [2019] of the Ministry of Finance), institutions providing services such as elderly care, child care, and housekeeping services to the community, which own or acquire properties and lands through leasing or gratuitous use used for offering community elderly care, child care, and housekeeping services, are exempt from property tax and urban land use tax. Shengao Lekang provides community elderly care services and thus enjoys the above preferential policies. Guangming Fengrunjiu provides community elderly care services and child care services and thus enjoys the above preferential policies.

IV. TAXATION (CONTINUED)

3. Others

According to the *Reply from the State Taxation Administration Concerning the Recognition as Resident Enterprises of Related Overseas Enterprises of Shenzhen Expressway Corporation Limited* (Guo Shui Han No. 651 [2010]) issued by the State Taxation Administration on 30 December 2010, Mei Wah (Hong Kong) Company ("Mei Wah Company"), Maxprofit Company and JadeEmperorLimited ("JEL Company") are recognized as resident enterprises of China and subject to the relevant taxation administration, which came into effect in 2008.

According to the *Certificate of Resident Status of Overseas Registered Chinese Holding Enterprises* issued by Shenzhen Taxation Bureau of the State Taxation Administration (Shen Shui Shui Ju Gao No. 4 [2020], Shen Shui Shui Ju Gao No. 1 [2022]), Fameluxe Investment Limited and China Logistics Finance Services Co., Ltd. ("Logistics Finance Company") are recognized as resident enterprises of China and subject to the relevant taxation administration. This came into effect for Fameluxe Investment Limited in 2020, and came into effect for Logistics Finance Company in 2022.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at banks and on hand

RMB

Item	31 December 2025	31 December 2024
Cash on hand:	**5,755,304.72**	6,291,155.12
RMB	**5,737,831.62**	6,271,063.52
HKD	**17,232.81**	19,869.28
Others	**240.29**	222.32
Bank deposits:	**5,065,221,750.19**	2,843,044,967.28
RMB	**4,603,687,681.45**	2,637,251,943.13
HKD	**460,593,774.36**	204,831,032.40
USD	**940,294.38**	961,991.75
Other cash at banks and on hand (Note):	**81,179,226.56**	59,245,888.03
RMB	**81,156,608.25**	59,230,250.90
HKD	**22,618.31**	15,637.13
Interest receivable	**766,955.68**	–
Total	**5,152,923,237.15**	2,908,582,010.43
Including: Total amount deposited abroad	**650,572,051.74**	229,348,598.23

Note: It primarily consists of the performance bonds, mortgage deposits, and investment funds deposited in securities accounts.

As at 31 December 2025, the Group's restricted funds are presented as follows:

RMB

Item	31 December 2025	31 December 2024
Funds in jointly-managed account (Note V, 32.3(1) - Note)	**250,393,047.48**	–
Special account for project management (Note)	**35,810,574.12**	64,697,174.94
Security deposits	**27,324,678.93**	40,938,550.80
Frozen funds due to litigation	**93,544,075.39**	132,452,631.73
Total	**407,072,375.92**	238,088,357.47

Note: It primarily represents the special funds for management of the Coastal Expressway Phase II project.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Transactional financial assets

RMB

Category	31 December 2025	31 December 2024
Financial assets at FVTPL	**2,557,452,332.60**	129,822,937.64
Including:		
Structured deposits	**2,439,548,117.83**	–
Compensation for valuation adjustment mechanism receivable	**117,904,214.77**	129,822,937.64
Total	**2,557,452,332.60**	129,822,937.64

3. Bills receivable

(1) Categories of bills receivable

RMB

Category	31 December 2025	31 December 2024
Commercial acceptance bills	**3,244,984.06**	1,390,389.45
Bank acceptance bills	**–**	–
Total	**3,244,984.06**	1,390,389.45

(2) The Group had no bills receivable pledged at the end of the year.

(3) The Group's bills receivable that had been endorsed or discounted at the end of the year but were not due as at the balance sheet date.

RMB

	31 December 2025		31 December 2024	
	Amount derecognized	Amount not derecognized	Amount derecognized	Amount not derecognized
Bank acceptance bills	**2,000,000.00**	**–**	–	–
Commercial acceptance bills	**–**	**750,000.00**	–	–
Total	**2,000,000.00**	**750,000.00**	–	–

(4) As at 31 December 2025, the Group had no bills that were converted into accounts receivable due to the drawer's failure to fulfill payment obligations.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

(1) Accounts receivable disclosed by aging

RMB

Aging (Note)	31 December 2025	31 December 2024
Within 1 year	**486,601,226.91**	639,854,184.00
1 to 2 years	**300,456,282.13**	62,312,442.63
2 to 3 years	**46,645,334.92**	104,869,539.05
Over 3 years	**500,625,956.34**	416,388,273.94
Total	**1,334,328,800.30**	1,223,424,439.62

* Note: The aging of accounts receivable is determined based on the date of recognition.

(2) Accounts receivable disclosed by method of bad debt provision

RMB

	31 December 2025					31 December 2024				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on an individual basis										
Provision assessed on an individual basis	**390,292,988.83**	**29.25**	**207,708,699.64**	**53.22**	**182,584,289.19**	380,440,020.34	31.10	192,541,411.15	50.61	187,898,609.19
Bad debt provision assessed on a portfolio basis										
Portfolio I	**626,191,621.43**	**46.93**	**51,198,924.75**	**8.18**	**574,992,696.68**	375,368,849.23	30.68	43,671,317.57	11.63	331,697,531.66
Portfolio II	**18,671,191.68**	**1.40**	**13,704,134.49**	**73.40**	**4,967,057.19**	18,620,895.01	1.52	1,768,454.49	9.50	16,852,440.52
Portfolio III	**41,825,726.58**	**3.13**	**24,034,747.14**	**57.46**	**17,790,979.44**	54,643,273.37	4.47	24,161,922.45	44.22	30,481,350.92
Portfolio IV	**257,347,271.78**	**19.29**	**12,846,871.53**	**4.99**	**244,500,400.25**	394,351,401.67	32.23	3,812,534.21	0.97	390,538,867.46
Including: Customers in the automotive dismantling and power battery industry	**61,182,569.14**	**4.59**	**11,382,767.77**	**18.60**	**49,799,801.37**	67,796,036.85	5.54	3,449,480.14	5.09	64,346,556.71
Total	**1,334,328,800.30**	**100.00**	**309,493,377.55**		**1,024,835,422.75**	1,223,424,439.62	100.00	265,955,639.87		957,468,799.75

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis:

RMB

	31 December 2025			
Name of entity	Gross carrying amount	Bad debt provision	Proportion (%)	Reason for provision
SEPCO Electric Power Construction Corporation ("SEPCO")	141,998,000.00	17,646,400.00	12.43	Based on a comprehensive assessment of counterparty's financial condition and the payment arrangements agreed upon with relevant suppliers, it is expected that a portion of the receivables is hard to be recovered
China Sinogy Electric Engineering Co., Ltd. ("CSEEC")	126,049,250.00	69,546,071.52	55.17	Based on a comprehensive assessment of the counterparty's financial condition and the value of its wind turbine equipment retained by the Group, it is expected that a portion of the receivables is hard to be recovered
Shenzhen Zhongzhuang New Energy Technology Co., Ltd.	35,492,465.65	35,492,465.65	100.00	The counterparty is undergoing bankruptcy reorganization, and it is expected that the receivables are hard to be recovered
Sihong Gaochuan Wind Power Generation Co., Ltd.	28,364,000.00	28,364,000.00	100.00	The counterparty is undergoing bankruptcy reorganization, and it is expected that the receivables are hard to be recovered
Juye Changguang Wind Energy Co., Ltd.	26,250,000.00	26,250,000.00	100.00	Based on a comprehensive assessment of counterparty's financial condition, it is expected that the receivables are hard to be recovered
Taizhou Keyuan Oil Industry Co., Ltd.	9,852,968.49	9,852,968.49	100.00	Given the outcome of the current litigation proceedings with the counterparty, it is expected that the receivables are hard to be recovered
Guizhou Hongchangheng Environmental Protection Technology Co., Ltd.	8,840,500.00	8,840,500.00	100.00	It is expected that the receivables are hard to be recovered
Shenzhen SuTung New Energy Technology Co., Ltd.	6,611,795.32	6,611,795.32	100.00	It is expected that the receivables are hard to be recovered
Changsha Ruqin E-commerce Co., Ltd.	2,940,000.00	2,940,000.00	100.00	It is expected that the receivables are hard to be recovered
Hunan Kaixuan Changtan West Line Expressway Co., Ltd.	3,459,021.43	1,729,510.72	50.00	It is expected that a portion of the receivables is hard to be recovered
Tianjin Chuanzai Jingtong Financial Leasing Co., Ltd.	434,987.94	434,987.94	100.00	It is expected that the receivables are hard to be recovered
Total	390,292,988.83	207,708,699.64		

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Credit risk and bad debt provision of accounts receivable in portfolio I:

RMB

Portfolio I	31 December 2025			
	Expected average loss rate (%)	Accounts receivable	Bad debt provision	Carrying amount
Receivables from government and related parties	8.18	626,191,621.43	51,198,924.75	574,992,696.68
Total		**626,191,621.43**	**51,198,924.75**	**574,992,696.68**

Accounts receivable for which bad debt provision is assessed by aging analysis method in portfolio II, portfolio III and portfolio IV:

RMB

Portfolio II	31 December 2025		
	Accounts receivable	Bad debt provision	Proportion (%)
Within 1 year	90,393.86	–	–
Over 3 years	18,580,797.82	13,704,134.49	73.75
Total	**18,671,191.68**	**13,704,134.49**	

RMB

Portfolio III	31 December 2025		
	Accounts receivable	Bad debt provision	Proportion (%)
Within 1 year	6,319,894.13	125,426.97	1.98
1 to 2 years	886,839.15	70,671.38	7.97
2 to 3 years	912,670.07	299,967.34	32.87
Over 3 years	33,706,323.23	23,538,681.45	69.83
Total	**41,825,726.58**	**24,034,747.14**	

RMB

Portfolio IV	31 December 2025		
	Accounts receivable	Bad debt provision	Proportion (%)
Within 1 year	158,659,827.10	307,793.62	0.19
1 to 2 years	80,442,332.46	10,739,833.72	13.35
2 to 3 years	9,425,713.91	1,375,566.82	14.59
Over 3 years	8,819,398.31	423,677.37	4.80
Total	**257,347,271.78**	**12,846,871.53**	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Measurement of expected credit losses at an amount equivalent to the lifetime ECL

RMB

Bad debt provision	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2025	73,414,228.72	192,541,411.15	265,955,639.87
– Transfer into those credit-impaired	–	–	–
Provision	32,648,581.23	15,167,288.49	47,815,869.72
Reversal	(4,278,132.04)	–	(4,278,132.04)
Other changes	–	–	–
31 December 2025	101,784,677.91	207,708,699.64	309,493,377.55

(3) Details of bad debt provision

RMB

Category	1 January 2025	Changes for the year				31 December 2025
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Accounts receivable for which bad debt provision is assessed on an individual basis	192,541,411.15	15,167,288.49	–	–	–	**207,708,699.64**
Accounts receivable for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics	73,414,228.72	32,648,581.23	(4,278,132.04)	–	–	**101,784,677.91**
Total	265,955,639.87	47,815,869.72	(4,278,132.04)	–	–	**309,493,377.55**

In 2025, the Group had no recovery or reversal of bad debt provision which was individually significant.

(4) In 2025, no accounts receivable have been written off.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(5) Top five accounts receivable and contract assets categorized by debtor

RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts of accounts receivable and provision for impairment of contact assets
Transport Bureau of Shenzhen Municipality	160,799,410.00	–	160,799,410.00	5.82	–
SEPCO	141,998,000.00	–	141,998,000.00	5.14	17,646,400.00
CSEEC	126,049,250.00	–	126,049,250.00	4.56	69,546,071.52
Longgang Administration of Transport Bureau of Shenzhen Municipality	–	120,884,158.90	120,884,158.90	4.37	–
Shenzhenset Const. & Dvpt Co., Ltd. ("Const. & Dvpt Company")	–	55,565,163.59	55,565,163.59	2.01	–
Total	**428,846,660.00**	**176,449,322.49**	**605,295,982.49**	**21.90**	**87,192,471.52**

5. Prepayments

(1) Prepayments presented by aging

RMB

Aging	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	**84,534,311.46**	**70.68**	84,392,898.54	34.38
1 to 2 years	**10,575,785.37**	**8.84**	154,987,870.65	63.13
2 to 3 years	**19,434,382.97**	**16.25**	2,421,899.10	0.99
Over 3 years	**5,054,232.52**	**4.23**	3,679,694.20	1.50
Total	**119,598,712.32**	**100.00**	245,482,362.49	100.00

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments (Continued)

(2) Prepayments presented by nature

RMB

Item	31 December 2025	31 December 2024
Prepayments for materials	**79,721,258.74**	210,759,285.04
Others	**39,877,453.58**	34,723,077.45
Total	**119,598,712.32**	245,482,362.49

As at 31 December 2025, the prepayments aged over one year mainly represent the prepayments for materials. As the materials have not yet been delivered or signed for warehousing, the prepayments remain outstanding.

(3) Top five prepayments categorized by payee

RMB

Name of entity	Relationship with the Group	Gross carrying amount	Aging	Proportion to total prepayments (%)
Anhui Yangchen New Energy Technology Co., Ltd.	Non-related party	16,530,000.00	1 to 2 years, 2 to 3 years	13.82
Guangdong Jiahe New Energy Co., Ltd.	Non-related party	12,879,621.20	Within 1 year	10.77
CCCC-SHEC Third Highway Engineering Co., Ltd.	Non-related party	9,541,760.20	Within 1 year	7.98
Tongyu Heavy Industry Co., Ltd.	Non-related party	9,206,259.81	Within 1 year	7.70
Guangdong Hui Chuang New Energy Co., Ltd.	Non-related party	7,847,481.06	Within 1 year	6.56
Total	**Non-related party**	**56,005,122.27**		**46.83**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables

6.1 Presentation of other receivables

RMB

Item	31 December 2025	31 December 2024
Dividends receivable	–	135,000,000.00
Other receivables	**678,305,946.54**	699,685,738.81
Total	**678,305,946.54**	834,685,738.81

6.2 Dividends receivable

RMB

Investee	31 December 2025	31 December 2024
Guangzhou-Shenzhen-Zhuhai Expressway Co., Ltd. (“Guangzhou-Shenzhen-Zhuhai Expressway”)	–	135,000,000.00

6.3 Other receivables

(1) Other receivables disclosed by aging

RMB

Aging	31 December 2025	31 December 2024
Within 1 year	**183,994,134.25**	392,879,473.35
1 to 2 years	**278,440,352.56**	155,882,846.23
2 to 3 years	**108,423,241.25**	7,087,778.53
Over 3 years	**225,483,968.55**	259,100,027.74
Sub-total	**796,341,696.61**	814,950,125.85
Less: Bad debt provision for other receivables	**118,035,750.07**	115,264,387.04
Total	**678,305,946.54**	699,685,738.81

(2) Categories of other receivables by nature

RMB

Nature	31 December 2025	31 December 2024
Receivables from third parties	**390,785,846.63**	471,062,690.72
Advance distribution of profits to minority shareholders	**163,500,000.00**	128,500,000.00
Receivables from related parties (Note XI, 6(1))	**90,274,305.49**	91,465,827.87
Deposits and security deposits	**55,046,647.49**	57,695,063.33
Advances receivable	**16,869,799.67**	8,925,258.03
Employee advances	**4,443,131.49**	3,696,883.46
Administrative reserve	**1,163,013.00**	1,456,954.00
Others	**74,258,952.84**	52,147,448.44
Total	**796,341,696.61**	814,950,125.85

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

6.3 Other receivables (Continued)

(3) Provision of bad debts

RMB

Bad debt provision	Stage I 12-month ECL	Stage II Lifetime ECL (not credit-impaired)	Stage III Lifetime ECL (credit-impaired)	Total
1 January 2025	115,264,387.04	–	–	115,264,387.04
— Transfer to Stage II	–	–	–	–
— Transfer to Stage III	–	–	–	–
— Reverse to Stage II	–	–	–	–
— Reverse to Stage I	–	–	–	–
Provision	44,064,422.65	–	–	44,064,422.65
Reversal	(41,293,059.62)	–	–	(41,293,059.62)
Transfer out due to derecognition of financial assets (including direct write-down)	–	–	–	–
Other changes	–	–	–	–
31 December 2025	**118,035,750.07**	**–**	**–**	**118,035,750.07**

(4) Details of bad debt provision

RMB

Category	1 January 2025	Changes for the year			31 December 2025
		Provision	Recovery or reversal	Charge-off or write-off	
Other receivables for which bad debt provision is assessed on a portfolio basis	115,264,387.04	44,064,422.65	(41,293,059.62)	–	**118,035,750.07**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

6.3 Other receivables (Continued)

(4) Details of bad debt provision (Continued)

Bad debt provision recovered or reversed which is significant in amount for the year is as follows

RMB

Name of entity	Amount of recovery or reversal	Reason for reversal	Recovered through	Basis for determining the original provision rate and its rationale
PowerChina Jiangxi Electric Power Construction Co., Ltd. ("PowerChina Jiangxi")	(41,200,000.00)	Reversed based on the outcome of litigation proceedings	/	It is expected that such other receivables are hard to be recovered

(5) Top five other receivables categorized by debtor

RMB

Name of entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Const. & Dvpt Company	327,537,630.64	41.13	Amounts due from third parties	1 to 2 years, 2 to 3 years	–
Shenzhen Huayu Investment Development (Group) Co., Ltd.	163,500,000.00	20.53	Advance distribution of profits to minority shareholders by subsidiaries	Within 1 year, 1 to 2 years	–
Huai'an Zhongheng New Energy Co., Ltd. ("Huai'an Zhongheng")	88,331,191.80	11.09	Amounts due from related parties	Over 3 years	70,664,953.44
PowerChina Jiangxi	41,200,000.00	5.17	Deposits and security deposits	Over 3 years	–
Mulei County Xinhua Energy No.1 Wind Power Generation Co., Ltd.	27,429,043.00	3.44	Others	Over 3 years	–
Total	**647,997,865.44**	**81.36**			**70,664,953.44**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Categories of inventories

RMB

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Properties held for development (Note 1)	**258,790,747.84**	**–**	**258,790,747.84**	257,148,356.32	–	257,148,356.32
Properties under development (Note 2)	**102,290,084.59**	**–**	**102,290,084.59**	116,351,386.31	–	116,351,386.31
Properties held for sale (Note 3)	**578,943,985.29**	**133,549,155.79**	**445,394,829.50**	597,974,602.88	50,513,916.31	547,460,686.57
Raw materials	**192,788,887.50**	**131,292,811.04**	**61,496,076.46**	226,220,613.48	139,287,249.66	86,933,363.82
Work in progress	**171,544,646.78**	**132,537,671.53**	**39,006,975.25**	173,424,057.57	130,274,199.84	43,149,857.73
Goods on hand	**71,653,378.81**	**58,034,459.58**	**13,618,919.23**	126,473,192.23	84,344,861.21	42,128,331.02
Low value consumables and others	**2,564,135.48**	**–**	**2,564,135.48**	2,201,585.90	–	2,201,585.90
Total	**1,378,575,866.29**	**455,414,097.94**	**923,161,768.35**	1,499,793,794.69	404,420,227.02	1,095,373,567.67

Note 1: Properties held for development represent the lands to be developed under Youshan Villa Phase II Stage III and Phase III Stage II projects of Guizhou Shenzhen Expressway Land Co., Ltd. ("Guizhou Land"), and the lands to be developed by Guizhou Shenzhen Expressway Investment Land Company ("Guishen Expressway Investment") and Guizhou Yefengrui Land Co., Ltd. ("Yefengrui Land"), all of which are subsidiaries of the Company.

Note 2: Properties under development

RMB

Name of project	31 December 2025	31 December 2024
Public area to be amortized	**102,290,084.59**	116,351,386.31
Total	**102,290,084.59**	116,351,386.31

Note 3: Properties held for sale

RMB

Name of project	Time of completion	1 January 2025	Additions	Reductions	31 December 2025	Closing balance of provision for decline in value
Youshan Villa Phase I Stage I project	December 2016	11,176,877.24	–	–	**11,176,877.24**	–
Youshan Villa Phase II Stage II project	April 2019	46,251,723.77	–	–	**46,251,723.77**	–
Youshan Villa Phase III Stage I project	November 2020	3,987,702.61	–	–	**3,987,702.61**	–
Youshan Villa Phase III Stage III project	September 2022	536,558,299.26	7,802,625.22	26,833,242.81	**517,527,681.67**	133,549,155.79
Total		597,974,602.88	7,802,625.22	26,833,242.81	**578,943,985.29**	133,549,155.79

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(2) Provision for decline in value of inventories

RMB

Item	1 January 2025	Provision	Reversal	Write-off	31 December 2025
Raw materials	139,287,249.66	4,706,945.20	–	(12,701,383.82)	**131,292,811.04**
Work in progress	130,274,199.84	2,263,471.69	–	–	**132,537,671.53**
Goods on hand	84,344,861.21	5,424,641.38	–	(31,735,043.01)	**58,034,459.58**
Properties held for sale	50,513,916.31	83,035,239.48	–	–	**133,549,155.79**
Total	404,420,227.02	95,430,297.75	–	(44,436,426.83)	**455,414,097.94**

(3) Descriptions on capitalized borrowing costs included in the closing balance of inventories

In 2025, the amount of capitalized interest included in inventories was RMB nil (2024: RMB nil). As at 31 December 2025, the amount of capitalized interest included in the closing balance of inventories was RMB2,752,439.71 (31 December 2024: RMB2,884,598.12).

8. Contract assets

(1) Details of contract assets

RMB

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets over one year (Note 1)	**814,056,412.18**	**–**	**814,056,412.18**	1,763,574,756.21	–	1,763,574,756.21
Receivables from agent-construction services	**282,562,045.34**	**3,304,869.42**	**279,257,175.92**	241,717,412.68	3,304,869.42	238,412,543.26
Receivables from construction services for kitchen waste projects	**42,458,336.42**	**30,872,509.91**	**11,585,826.51**	59,741,874.06	16,471,364.68	43,270,509.38
Warranty deposits receivable	**69,156,423.88**	**46,884,343.88**	**22,272,080.00**	69,156,423.88	343,019.88	68,813,404.00
Receivables from other business activities (Note 2)	**220,534,800.88**	**164,110.00**	**220,370,690.88**	20,131,385.79	–	20,131,385.79
Sub-total	**1,428,768,018.70**	**81,225,833.21**	**1,347,542,185.49**	2,154,321,852.62	20,119,253.98	2,134,202,598.64
Less: Contract assets over one year	**814,056,412.18**	**–**	**814,056,412.18**	1,763,574,756.21	–	1,763,574,756.21
Total	**614,711,606.52**	**81,225,833.21**	**533,485,773.31**	390,747,096.41	20,119,253.98	370,627,842.43

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(1) Details of contract assets (Continued)

Note 1: Refer to Note V, 22.

Note 2: It mainly represents the contract assets amounting to RMB179,677,264.12 corresponding to the revenue from toll fee recognized by Shenzhen Qinglong Expressway Co., Ltd. ("Qinglong Company"), a subsidiary of the Company, based on relevant documents issued by the Department of Transport of Guangdong Province, which will be due within one year.

(2) Amount and reason for significant changes in carrying amount for the year

RMB

Item	Amount of changes	Reason for changes
Receivables for construction of Bimeng Project (Note V, 12.(1) - Note 3)	(798,245,134.61)	Carry forward to long-term receivables and non-current assets due within one year based on project settlement situation for the year

(3) Contract assets disclosed by method of bad debt provision

RMB

	31 December 2025					31 December 2024				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on an individual basis	77,640,273.02	5.43	66,339,557.53	85.44	11,300,715.49	3,304,869.42	0.15	3,304,869.42	100.00	–
Bad debt provision assessed on a portfolio basis	1,351,127,745.68	94.57	14,886,275.68	1.10	1,336,241,470.00	2,151,016,983.20	99.85	16,814,384.56	0.78	2,134,202,598.64
Including:										
Portfolio I	1,272,990,852.22	89.10	-	-	1,272,990,852.22	2,001,987,299.47	92.94	–	–	2,001,987,299.47
Portfolio II	22,381,223.88	1.57	109,143.88	0.49	22,272,080.00	69,156,423.88	3.21	343,019.88	0.50	68,813,404.00
Portfolio III	14,898,132.82	1.04	14,613,021.80	98.09	285,111.02	59,741,874.06	2.77	16,471,364.68	27.57	43,270,509.38
Portfolio IV	40,857,536.76	2.86	164,110.00	0.40	40,693,426.76	20,131,385.79	0.93	–	–	20,131,385.79
Total	1,428,768,018.70	100.00	81,225,833.21		1,347,542,185.49	2,154,321,852.62	100.00	20,119,253.98		2,134,202,598.64

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis

RMB

Bad debt provision assessed on an individual basis	31 December 2025 Gross carrying amount	Bad debt provision	Proportion (%)	Reason for provision
Shenshan Houmen Project	**3,304,869.42**	**3,304,869.42**	**100.00**	It is expected that the agent-construction payments are hard to be recovered
Warranty deposits for sale of wind turbines	**46,775,200.00**	**46,775,200.00**	**100.00**	It is expected that the warranty deposits are hard to be recovered
Construction payments for Kitchen Waste Treatment Plant Project	**27,560,203.60**	**16,259,488.11**	**59.00**	It is expected that a portion of payments is hard to be recovered
Total	**77,640,273.02**	**66,339,557.53**		

Bad debt provision assessed on a portfolio basis

RMB

Portfolio I	31 December 2025 Gross carrying amount	Bad debt provision	Proportion (%)
Government and related parties	**1,272,990,852.22**	**–**	**–**
Total	**1,272,990,852.22**	**–**	

RMB

Portfolio II	31 December 2025 Gross carrying amount	Bad debt provision	Proportion (%)
Over 3 years	**22,381,223.88**	**109,143.88**	**0.49**
Total	**22,381,223.88**	**109,143.88**	

Note: Portfolio II represents the warranty deposits receivable from customers in wind turbine sales industry.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on a portfolio basis (Continued)

RMB

Portfolio III	31 December 2025		
	Gross carrying amount	Bad debt provision	Proportion (%)
1 to 2 years	**316,790.02**	**31,679.00**	**10.00**
Over 5 years	**14,581,342.80**	**14,581,342.80**	**100.00**
Total	**14,898,132.82**	**14,613,021.80**	

RMB

Portfolio IV	31 December 2025		
	Gross carrying amount	Bad debt provision	Proportion (%)
Within 1 year	**40,857,536.76**	**164,110.00**	**0.40**
Total	**40,857,536.76**	**164,110.00**	

Measurement of expected credit losses at an amount equivalent to the lifetime ECL

RMB

Bad debt provision	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2025	16,814,384.56	3,304,869.42	20,119,253.98
Balance at 1 January 2025 that was:			
– Transferred to those credit-impaired	(233,876.00)	233,876.00	–
Provision	164,110.00	62,800,812.11	62,964,922.11
Reversal	(1,858,342.88)	–	(1,858,342.88)
31 December 2025	**14,886,275.68**	**66,339,557.53**	**81,225,833.21**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(4) Provision for credit losses of contract assets for the year

RMB

Category	1 January 2025	Provision	Reversal	31 December 2025
Receivables from agent-construction services	3,304,869.42	–	–	**3,304,869.42**
Warranty deposits receivable	343,019.88	46,541,324.00	–	**46,884,343.88**
Receivables from construction services for kitchen waste projects	16,471,364.68	16,259,488.11	(1,858,342.88)	**30,872,509.91**
Receivables from other business activities	–	164,110.00	–	**164,110.00**
Total	20,119,253.98	62,964,922.11	(1,858,342.88)	**81,225,833.21**

9. Non-current assets due within one year

RMB

Item	31 December 2025	31 December 2024
Receivables for construction of Longli River Bridge project (Note)	**406,198,392.78**	264,198,928.52
Receivables for construction of Bimeng project (Note)	**319,298,053.84**	–
Finance lease receivables (Note)	**218,840,331.79**	172,950,515.75
Sub-total	**944,336,778.41**	437,149,444.27
Less: Provision for bad debts	**2,896,772.70**	1,156,050.14
Total	**941,440,005.71**	435,993,394.13

Note: Refer to Note V, 12.

10. Other current assets

RMB

Item	31 December 2025	31 December 2024
Large-denomination deposit certificate	**462,711,808.20**	374,275,722.22
Pending deduction of input VAT	**176,262,263.74**	244,059,035.65
Prepaid taxes	**15,046,433.82**	46,077,056.07
Total	**654,020,505.76**	664,411,813.94

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term prepayments

RMB

Item	31 December 2025	31 December 2024
Prepayments for reconstruction and expansion of Airport-Heao Expressway	**1,215,067,781.24**	721,647,859.04
Prepaid project fund of Outer Ring Company	**473,178,759.60**	475,651,807.18
Prepaid project fund for the Second Shenzhen-Shantou Expressway	**88,275,312.92**	88,013,163.63
Prepayments for acquisition and construction of long-term assets	**11,195,856.49**	27,117,805.58
Prepaid project fund for Guangming Environment project	**–**	148,515.28
Total	**1,787,717,710.25**	1,312,579,150.71

12. Long-term receivables

(1) Details of long-term receivables

RMB

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Finance lease receivables (Note 1)	**1,183,002,270.62**	**19,233,242.23**	**1,163,769,028.39**	1,259,546,924.69	12,575,526.36	1,246,971,398.33
Electricity subsidy income (Note 2)	**1,102,947,819.21**	**81,692,783.40**	**1,021,255,035.81**	1,404,661,240.86	50,750,584.03	1,353,910,656.83
Receivables for construction of Longli River Bridge project	**974,196,249.77**	**–**	**974,196,249.77**	974,196,249.77	–	974,196,249.77
Receivables for construction of Bimeng project (Note 3)	**798,245,134.61**	**–**	**798,245,134.61**	–	–	–
Construction payments due from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd.	**60,941,210.16**	**–**	**60,941,210.16**	60,941,210.16	–	60,941,210.16
Sub-total	**4,119,332,684.37**	**100,926,025.63**	**4,018,406,658.74**	3,699,345,625.48	63,326,110.39	3,636,019,515.09
Less: Long-term receivables due within one year (Note V, 9)	**944,336,778.41**	**2,896,772.70**	**941,440,005.71**	437,149,444.27	1,156,050.14	435,993,394.13
Including: Finance lease receivables (Note 1)	**218,840,331.79**	**2,896,772.70**	**215,943,559.09**	172,950,515.75	1,156,050.14	171,794,465.61
Receivables for construction of Longli River Bridge project	**406,198,392.78**	**–**	**406,198,392.78**	264,198,928.52	–	264,198,928.52
Receivables for construction of Bimeng project (Note 3)	**319,298,053.84**	**–**	**319,298,053.84**	–	–	–
Total	**3,174,995,905.96**	**98,029,252.93**	**3,076,966,653.03**	3,262,196,181.21	62,170,060.25	3,200,026,120.96

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

(1) Details of long-term receivables (Continued)

Note 1: It represents the rents and interest of equipment under financial leasing receivable by Financial Leasing Company, the Company's subsidiary. As at 31 December 2025, the finance lease receivables amounted to RMB1,183,002,270.62 (31 December 2024: RMB1,259,546,924.69).

Note 2: It represents the electricity subsidy which has not been received by subsidiaries of the Group engaged in new energy business. In 2025, the subsidy income (tax inclusive) recognized based on relevant documents amounted to RMB317,512,762.76, and the subsidy received in 2025 amounted to RMB619,226,184.41.

Note 3: In May 2025, the Guizhou Longli Bimeng Garden Resettlement Community Project was successfully completed and accepted as qualified in the current year. According to the Investment Cooperation Agreement entered into by and between Shenzhen Expressway Investment Co., Ltd. ("Expressway Investment", a subsidiary of the Company) and Guizhou Guilong Industrial Group Co., Ltd., an entity authorized by Longli County People's Government, Expressway Investment has the unconditional right to receive contractual consideration upon final acceptance of the project. Furthermore, it is agreed that the payment will be recovered in installments over a period of three years from the date of final acceptance. Consequently, the contract assets corresponding to the project are transferred to long-term receivables.

(2) Long-term receivables disclosed by method of bad debt provision

RMB

Category	31 December 2025					31 December 2024				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on a portfolio basis:										
Portfolio I	**1,833,382,594.54**	**44.51**	**-**	**-**	**1,833,382,594.54**	1,035,137,459.93	27.98	-	-	1,035,137,459.93
Portfolio II (Finance lease receivables)	**1,183,002,270.62**	**28.72**	**19,233,242.23**	**1.63**	**1,163,769,028.39**	1,259,546,924.69	34.05	12,575,526.36	1.00	1,246,971,398.33
Portfolio III (Electricity subsidy income)	**1,102,947,819.21**	**26.77**	**81,692,783.40**	**7.41**	**1,021,255,035.81**	1,404,661,240.86	37.97	50,750,584.03	3.61	1,353,910,656.83
Total	**4,119,332,684.37**	**100.00**	**100,926,025.63**		**4,018,406,658.74**	3,699,345,625.48	100.00	63,326,110.39		3,636,019,515.09

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

(2) Long-term receivables disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on a portfolio basis

RMB

Portfolio I	31 December 2025		
	Gross carrying amount	Bad debt provision	Proportion (%)
Receivables for construction of Bimeng project	798,245,134.61	–	–
Receivables for construction of Longli River Bridge project	974,196,249.77	–	–
Construction payments due from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd	60,941,210.16	–	–
Total	**1,833,382,594.54**	**–**	**–**

RMB

Portfolio II (Finance lease receivables)	31 December 2025		
	Gross carrying amount	Bad debt provision	Proportion (%)
Normal	882,676,621.53	9,289,264.04	1.05
Attention	300,325,649.09	9,943,978.19	3.31
Total	**1,183,002,270.62**	**19,233,242.23**	**1.63**

RMB

Portfolio III (Electricity subsidy income)	31 December 2025		
	Gross carrying amount	Bad debt provision	Proportion (%)
Electricity subsidy approved	953,163,865.31	9,531,638.76	1.00
Electricity subsidy under approval	149,783,953.90	72,161,144.64	48.18
Total	**1,102,947,819.21**	**81,692,783.40**	**7.41**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

(2) Long-term receivables disclosed by method of bad debt provision (Continued)

Provision for bad debts based on general model of expected credit losses

RMB

Bad debt provision	Stage I 12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2025	63,326,110.39	–	–	63,326,110.39
Provision	37,599,915.24	–	–	37,599,915.24
31 December 2025	**100,926,025.63**	**–**	**–**	**100,926,025.63**

(3) Details of bad debt provision

RMB

Category	1 January 2025	Additions	Reductions	31 December 2025
Finance lease receivables	12,575,526.36	6,657,715.87	–	**19,233,242.23**
Electricity subsidy income	50,750,584.03	30,942,199.37	–	**81,692,783.40**
Total	63,326,110.39	37,599,915.24	–	**100,926,025.63**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments

(1) Details of long-term equity investments

RMB

Investee	1 January 2025	Changes for the year								31 December 2025	Shareholding proportion (%)	Provision for impairment at 31 December 2025
		Additions	Reductions	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Cash dividend or profit declared	Provision for impairment	Others				
Guangzhou-Shenzhen-Zhuhai Expressway	5,240,770,998.08	294,750,000.00	-	258,004,377.90	-	(294,750,000.00)	-	-		5,498,775,375.98	45.00	-
Chongqing Derun Environment Co., Ltd. ("Derun Environment")	5,116,283,285.60	-	-	153,497,347.41	4,520,053.53	(99,600,000.00)	-	(23,407,170.54)		5,151,293,516.00	20.00	-
Guangdong Guangzhou-Zhuhai West Line Expressway Co., Ltd. ("Guangzhou-Zhuhai West Line Expressway")	3,450,488,204.48	-	-	73,419,120.44	-	(164,187,938.25)	(171,000,000.00)	-		3,188,719,386.67	50.00	171,000,000.00
Guangdong Yangmao Expressway Co., Ltd. ("Yangmao Company")	840,603,301.52	-	-	50,738,509.49	-	(78,878,968.20)	-	-		812,462,842.81	25.00	-
Shenzhen International United Land Co., Ltd. ("United Land Company")	761,351,882.86	-	-	(30,500,063.91)	-	-	-	(986,353.67)		729,865,465.28	34.30	-
E Fund – Shenzhen Expressway REITs (code: 508033)	750,659,862.55	-	-	23,328,269.15	-	(91,752,000.00)	-	-		682,236,131.70	40.00	-
Nanjing Yangtze River Third Bridge Co., Ltd. ("Nanjing Third Bridge Company")	464,833,892.23	-	-	50,388,034.37	-	(60,810,754.09)	-	-		454,411,172.51	35.00	-
Guangzhou Zhentong Industrial Development Co., Ltd. ("Xintang Joint Venture") ((Note 1)	415,559,397.99	-	-	(22,200,149.34)	-	-	-	-		393,359,248.65	15.00	-
Guangzhou Western Second Ring Expressway Co., Ltd. ("GZ W2 Company")	371,302,955.80	-	-	53,955,466.77	-	(51,885,100.00)	-	-		373,373,322.57	25.00	-
Shenzhen Fenghe Energy Investment Co., Ltd. ("Fenghe Energy")	227,755,453.28	-	-	11,219,140.16	1,187,163.81	-	-	-		240,161,757.25	50.00	-
Foshan Shunde Shengchuang Shenzhen Expressway Environmental Technology Industry M&A Investment Partnership (Limited Partnership) ("Shengchuang Fund")	99,518,936.60	-	(71,694,000.00)	(16,927,734.39)	-	-	-	-		10,897,202.21	45.00	-
Others (Note 2)	2,016,255,046.23	-	-	132,224,296.76	(5,475,482.40)	(25,125,365.09)	-	1,789,285.75		2,119,667,781.25		-
Total	19,755,383,217.22	294,750,000.00	(71,694,000.00)	737,146,614.81	231,734.94	(866,990,125.63)	(171,000,000.00)	(22,604,238.46)		19,655,223,202.88		171,000,000.00

Note 1: Bay Area Development, a subsidiary of the Company, has appointed one director to the Board of Directors of Xintang Joint Venture, which has a significant impact on its operation and financial decisions.

Note 2: Others include the Group's associates and joint ventures Yunji Smart Engineering Co., Ltd. ("Yunji Smart"), Shenzhen Huayu Expressway Investment Co., Ltd. ("Huayu Company"), Guizhou Hengtongli Property Co., Ltd. ("Guizhou Hengtongli"), Bank of Guizhou Co., Ltd., and Huai'an Zhongheng.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(2) Impairment testing of long-term equity investments

Refer to Note V, 20.(4).

14. Other non-current financial assets

RMB

Item	31 December 2025	31 December 2024
Shenzhen Water Planning & Design Institute Co., Ltd. ("Water Planning & Design Institute")	**468,952,200.00**	363,513,150.00
Shenzhen State Owned Cooperative Development Private Equity Fund Partnership (Limited Partnership) ("Cooperative Development Fund")	**334,046,390.66**	361,489,702.38
Guangdong United Electronic Service Co., Ltd. ("United Electronic")	**248,836,725.60**	210,780,561.06
Guangdong Heyuan Rural Commercial Bank Co., Ltd.	**22,503,680.00**	22,503,680.00
Guangdong Zijin Rural Commercial Bank Co., Ltd.	**9,180,560.00**	9,180,560.00
Yiwu Shenneng Renewable Resources Utilization Co., Ltd.	**3,443,730.00**	3,443,730.00
Total	**1,086,963,286.26**	970,911,383.44

For the year ended 31 December 2025, the changes in investments in equity instruments amounted to RMB116,051,902.82, of which RMB23,268,454.75 represented a decrease in principal due to the exit of investment projects related to the Collaborative Development Fund. The gains from changes in fair value amounted to RMB139,320,357.57 (2024: gains from changes in fair value of RMB75,842,081.18). Please refer to Note V, 56.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Investment properties

(1) Investment properties measured at cost

RMB

Item	Parking space (Note)	Buildings	Total
I. Cost			
1. 1 January 2025	18,180,000.00	16,032,768.93	34,212,768.93
2. Additions	–	–	–
3. Reductions	–	–	–
4. 31 December 2025	18,180,000.00	16,032,768.93	34,212,768.93
II. Accumulated amortization			
1. 1 January 2025	9,260,007.24	3,397,623.91	12,657,631.15
2. Additions	575,724.24	761,554.16	1,337,278.40
(1) Provision	575,724.24	761,554.16	1,337,278.40
3. Reductions	–	–	–
4. 31 December 2025	9,835,731.48	4,159,178.07	13,994,909.55
III. Carrying amount			
1. 31 December 2025	8,344,268.52	11,873,590.86	20,217,859.38
2. 1 January 2025	8,919,992.76	12,635,145.02	21,555,137.78

Note: The investment property represents the parking space beneath Jiangsu Building where the Company locates, which is entrusted to the property company for renting to relevant car owners.

* The Group's investment properties are all located in the Chinese Mainland and held in the form of leases.

(2) As at 31 December 2025, the investment properties without certificates of ownership are listed as follows

RMB

Item	Carrying amount	Reason for not yet obtaining the certificate of ownership
Parking space beneath Jiangsu Building	8,344,268.52	No certificate of ownership will be issued for parking space in Shenzhen
Total	8,344,268.52	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Fixed assets

(1) Details of fixed assets

RMB

Item	Buildings	Traffic equipment	Motor vehicles	Office and other equipment	Mechanical equipment	Total
I. Cost						
1. 1 January 2025	3,768,124,201.75	1,675,381,951.52	92,654,821.24	143,299,608.53	4,703,038,629.18	10,382,499,212.22
2. Additions	16,262,538.22	58,561,728.27	15,419,763.82	6,018,289.30	37,245,229.21	133,507,548.82
(1) Purchase	2,374,878.14	12,685,988.89	15,419,763.82	5,218,949.66	37,245,229.21	72,944,809.72
(2) Transfer from construction in progress	13,887,660.08	45,875,739.38	–	799,339.64	–	60,562,739.10
3. Reductions	1,508,382.73	4,141,402.22	5,955,717.40	5,670,119.96	4,570,761.52	21,846,383.83
(1) Disposals or retirement	1,508,382.73	4,141,402.22	5,955,717.40	5,670,119.96	4,570,761.52	21,846,383.83
4. 31 December 2025	3,782,878,357.24	1,729,802,277.57	102,118,867.66	143,647,777.87	4,735,713,096.87	10,494,160,377.21
II. Accumulated depreciation						
1. 1 January 2025	650,043,720.68	1,096,708,397.77	29,596,150.59	108,962,738.66	1,053,854,128.87	2,939,165,136.57
2. Additions	152,102,801.02	117,723,505.60	13,790,270.10	26,666,069.82	253,876,960.30	564,159,606.84
(1) Provision	152,102,801.02	117,723,505.60	13,790,270.10	26,666,069.82	253,876,960.30	564,159,606.84
3. Reductions	1,361,977.40	1,754,715.85	3,892,696.30	5,024,533.21	1,863,275.24	13,897,198.00
(1) Disposals or retirement	1,361,977.40	1,754,715.85	3,892,696.30	5,024,533.21	1,863,275.24	13,897,198.00
4. 31 December 2025	800,784,544.30	1,212,677,187.52	39,493,724.39	130,604,275.27	1,305,867,813.93	3,489,427,545.41
III. Provision for impairment						
1. 1 January 2025	34,392,136.68	–	–	2,594,438.42	6,042,562.97	43,029,138.07
2. Additions	–	–	–	–	8,672,566.37	8,672,566.37
(1) Provision	–	–	–	–	8,672,566.37	8,672,566.37
3. Reductions	–	–	–	–	2,587,378.89	2,587,378.89
(1) Disposals or retirement	–	–	–	–	2,587,378.89	2,587,378.89
4. 31 December 2025	34,392,136.68	–	–	2,594,438.42	12,127,750.45	49,114,325.55
IV. Carrying amount						
1. 31 December 2025	2,947,701,676.26	517,125,090.05	62,625,143.27	10,449,064.18	3,417,717,532.49	6,955,618,506.25
2. 1 January 2025	3,083,688,344.39	578,673,553.75	63,058,670.65	31,742,431.45	3,643,141,937.34	7,400,304,937.58

(2) Fixed assets without certificates of ownership

RMB

Item	Carrying amount	Reason for not yet obtaining the certificate of ownership
Buildings	474,028,660.35	According to the actual characteristics of the Group's toll road operation, all toll roads and the affiliated buildings would be returned to the government when the approved operating periods expire, therefore, the Group has no intention to acquire the related property ownership certificates.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Fixed assets (Continued)

(3) Impairment testing of fixed assets

The recoverable amount is determined at the fair value net of costs of disposal

RMB

Item	Carrying amount	Recoverable amount	Amount of impairment	Method for determination of fair value and costs of disposal	Key parameters	Basis to determine the key parameters
Mechanical equipment of Yongcheng Zhuneng	8,672,566.37	–	8,672,566.37	Market approach and incremental costs directly attributable to asset disposals	Fair value of mechanical equipment	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations

17. Construction in progress

(1) Details of construction in progress

RMB

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Expressway electromechanical engineering	**26,603,148.18**	**–**	**26,603,148.18**	31,322,135.55	–	31,322,135.55
Expressway building construction engineering	**17,912,681.58**	**–**	**17,912,681.58**	11,174,245.22	–	11,174,245.22
Expressway subgrade, pavement, bridge and culvert engineering	**15,580,308.34**	**–**	**15,580,308.34**	12,369,195.06	–	12,369,195.06
R&D project on BIM modeling and digital management regarding existing expressways	**1,647,169.84**	**–**	**1,647,169.84**	1,647,169.84	–	1,647,169.84
Xuanwei project	**11,966,069.00**	**11,966,069.00**	**–**	11,966,069.00	11,966,069.00	–
Others	**59,461,029.80**	**2,195,969.80**	**57,265,060.00**	30,578,540.29	2,195,969.80	28,382,570.49
Total	**133,170,406.74**	**14,162,038.80**	**119,008,367.94**	99,057,354.96	14,162,038.80	84,895,316.16

(2) Changes in significant construction in progress during the year

There is no significant construction in progress during the year.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Right-of-use assets

RMB

Item	Buildings	Mechanical equipment	Total
I. Cost			
1. 1 January 2025	116,661,124.55	–	116,661,124.55
2. Additions	11,087,356.25	3,353,974.09	14,441,330.34
(1) Acquisitions	11,087,356.25	3,353,974.09	14,441,330.34
3. Reductions	10,386,181.12	–	10,386,181.12
(1) Disposals	10,386,181.12	–	10,386,181.12
4. 31 December 2025	117,362,299.68	3,353,974.09	120,716,273.77
II. Accumulated depreciation			
1. 1 January 2025	84,601,487.90	–	84,601,487.90
2. Additions	17,314,347.77	186,331.88	17,500,679.65
(1) Provision	17,314,347.77	186,331.88	17,500,679.65
3. Reductions	10,190,905.82	–	10,190,905.82
(1) Disposals	10,190,905.82	–	10,190,905.82
4. 31 December 2025	91,724,929.85	186,331.88	91,911,261.73
III. Carrying amount			
1. 31 December 2025	25,637,369.83	3,167,642.21	28,805,012.04
2. 1 January 2025	32,059,636.65	–	32,059,636.65

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets

(1) Details of intangible assets

RMB

Item	Franchise rights	Office software and others	Billboard land use rights	Land use right	Contract rights	Patent use right	Total
I. Cost							
1. 1 January 2025	43,407,129,379.30	105,531,641.37	1,647,622.58	215,879,018.54	68,866,700.00	165,693,403.17	43,964,747,764.96
2. Additions	2,076,015,461.84	7,084,629.98	–	–	–	–	2,083,100,091.82
(1) Purchases	120,861.20	3,145,209.48	–	–	–	–	3,266,070.68
(2) Constructions	2,075,894,600.64	3,939,420.50	–	–	–	–	2,079,834,021.14
3. Reductions	2,132,099.88	–	–	–	–	–	2,132,099.88
(1) Disposals	2,132,099.88	–	–	–	–	–	2,132,099.88
4. 31 December 2025	45,481,012,741.26	112,616,271.35	1,647,622.58	215,879,018.54	68,866,700.00	165,693,403.17	46,045,715,756.90
II. Accumulated amortization							
1. 1 January 2025	14,889,263,190.28	52,505,763.77	1,647,622.58	27,224,090.77	30,340,214.57	125,381,889.76	15,126,362,771.73
2. Additions	1,863,994,551.69	12,179,511.76	–	5,382,288.93	–	–	1,881,556,352.38
(1) Provision	1,863,994,551.69	12,179,511.76	–	5,382,288.93	–	–	1,881,556,352.38
3. Reductions	925,808.91	–	–	–	–	–	925,808.91
(1) Disposals	925,808.91	–	–	–	–	–	925,808.91
4. 31 December 2025	16,752,331,933.06	64,685,275.53	1,647,622.58	32,606,379.70	30,340,214.57	125,381,889.76	17,006,993,315.20
III. Provision for impairment							
1. 1 January 2025	3,911,990,525.94	3,919,234.42	–	–	38,526,485.43	40,311,513.41	3,994,747,759.20
2. Additions	122,608,799.60	–	–	–	–	–	122,608,799.60
3. 31 December 2025	4,034,599,325.54	3,919,234.42	–	–	38,526,485.43	40,311,513.41	4,117,356,558.80
IV. Carrying amount							
1. 31 December 2025	24,694,081,482.66	44,011,761.40	–	183,272,638.84	–	–	24,921,365,882.90
2. 1 January 2025	24,605,875,663.08	49,106,643.18	–	188,654,927.77	–	–	24,843,637,234.03

Note 1: In 2025, both the amount of intangible assets amortized and the amount included in profit or loss was RMB1,881,556,352.38 (2024: RMB1,763,428,989.72).

Note 2: In 2025, the amount of borrowing costs capitalized as intangible assets recognized amounted to RMB nil (2024: RMB9,547,541.77).

(2) As at 31 December 2025, the Group had no land use rights for which the certificate of property ownership has not been obtained.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

(3) Details of franchise rights

RMB

Item	Cost	1 January 2025	Additions	Reductions	Amortization	Impairment	31 December 2025	Accumulated amortization	Provision for impairment
I. Franchise rights associated with toll roads									
Qinglian Expressway	9,435,035,683.60	4,944,348,966.35	58,059,585.09	–	434,950,086.38	–	4,567,458,465.06	4,247,577,218.54	620,000,000.00
Airport-Heao Expressway	6,920,799,930.15	2,673,978,707.90	737,826,138.94	62,547.58	111,337,653.69	–	3,300,404,645.57	3,620,395,284.58	–
Meiguan Expressway	604,588,701.64	78,585,540.21	–	–	32,579,053.45	–	46,006,486.76	558,582,214.88	–
Outer Ring Expressway	7,982,869,827.91	5,988,275,507.22	1,164,276,828.81	–	186,358,692.90	–	6,966,193,643.13	1,016,676,184.78	–
Shuiguan Expressway	4,448,811,774.57	479,285,465.40	–	–	463,824,643.98	–	15,460,821.42	3,881,350,953.15	552,000,000.00
Changsha Ring Road	614,374,358.81	318,092,300.54	–	–	50,599,593.24	–	267,492,707.30	346,881,651.51	–
Coastal Expressway Shenzhen Section	10,086,278,346.00	5,694,782,268.24	–	–	304,030,617.66	–	5,390,751,650.58	2,057,291,400.81	2,638,235,294.61
Longda Expressway	251,559,214.13	35,588,622.39	–	–	13,971,278.12	–	21,617,344.27	229,941,869.86	–
Sub-total	40,344,317,836.81	20,212,937,378.25	1,960,162,552.84	62,547.58	1,597,651,619.42	–	20,575,385,764.09	15,958,696,778.11	3,810,235,294.61
II. Franchise rights associated with kitchen waste disposal									
Kitchen waste disposal of Shenzhen Expressway Bioland Environmental Protection Technologies Corp., Ltd. ("Bioland Company")	3,621,675,675.34	3,031,018,339.72	50,960,997.59	354,855.19	164,907,005.96	122,608,799.60	2,794,108,676.56	603,202,967.85	224,364,030.93
Kitchen waste disposal of Guangming	863,288,386.80	800,990,874.33	62,297,512.47	–	52,003,909.32	–	811,284,477.48	52,003,909.32	–
Kitchen waste disposal of Shaoyang	320,120,861.20	313,777,280.00	120,861.20	–	10,697,735.52	–	303,200,405.68	16,920,455.52	–
Kitchen waste disposal of Lisai Environmental Protection	279,561,465.13	198,795,726.49	2,473,537.74	94,202.69	35,707,050.23	–	165,468,011.31	114,093,453.82	–
Sub-total	5,084,646,388.47	4,344,582,220.54	115,852,909.00	449,057.88	263,315,701.03	122,608,799.60	4,074,061,571.03	786,220,786.51	224,364,030.93
III. Other franchise rights									
Shenzhen Guangming Welfare Institute Project	44,781,800.73	41,089,349.04	–	694,685.51	2,603,927.40	–	37,790,736.13	6,991,064.60	–
Shenzhen Guangming Integrated Community Service Center Project	7,266,715.25	7,266,715.25	–	–	423,303.84	–	6,843,411.41	423,303.84	–
Sub-total	52,048,515.98	48,356,064.29	–	694,685.51	3,027,231.24	–	44,634,147.54	7,414,368.44	–
Total	**45,481,012,741.26**	**24,605,875,663.08**	**2,076,015,461.84**	**1,206,290.97**	**1,863,994,551.69**	**122,608,799.60**	**24,694,081,482.66**	**16,752,331,933.06**	**4,034,599,325.54**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

(4) Impairment testing of intangible assets for the year

The recoverable amount is determined at the present value of the expected future cash flows

RMB

Item	Carrying amount of the asset group (Note 1)	Recoverable amount	Amount of impairment	Projection period (Note 2)	Key parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
Franchise rights of Guilin Bioland	244,552,040.28	209,889,424.01	34,662,616.27	2026 – 2046	Average revenue growth rate: 1.41%; discount rate: 7% before tax	N/A	N/A
Franchise rights of Xinyu Bioland	100,514,111.44	81,617,340.10	18,896,771.34	2026 – 2049	Average revenue growth rate: 1.31%; discount rate: 7% before tax	N/A	N/A
Franchise rights of Fuzhou Bioland	100,795,042.09	85,098,144.94	15,696,897.15	2026 – 2046	Average revenue growth rate: 2.71%; discount rate: 7% before tax	N/A	N/A
Franchise rights of Handan Bioland	139,042,160.98	129,390,365.81	9,651,795.17	2026 – 2046	Average revenue growth rate: 1.67%; discount rate: 7% before tax	N/A	N/A
Franchise rights of Shangrao Bioland	94,418,976.15	86,906,608.38	7,512,367.77	2026 – 2043	Average revenue growth rate: 2.65%; discount rate: 7% before tax	N/A	N/A
Franchise rights of Huangshi Bioland	89,590,937.08	85,921,542.78	3,669,394.30	2026 – 2047	Average revenue growth rate: 0.33%; discount rate: 7% before tax	N/A	N/A
Total	**768,913,268.02**	**678,823,426.02**	**90,089,842.00**				

Note 1: It represents the carrying amount of the asset group containing intangible assets.

Note 2: As at 31 December 2025, the management of the Group projected the future cash flows based on a detailed projection period starting from 1 January 2026 to the end of the franchise rights associated with the kitchen waste disposal.

20. Goodwill

(1) Cost of goodwill

RMB

Name of investee	1 January 2025	Additions	Reductions	31 December 2025
Shenzhen Investment Holdings International Capital Holding Infrastructure Company Limited ("SIHICH")	202,893,131.20	–	–	**202,893,131.20**
Nanjing Wind Power Technology Co., Ltd. ("Nanjing Wind Power")	156,039,775.24	–	–	**156,039,775.24**
Total	358,932,906.44	–	–	**358,932,906.44**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Goodwill (Continued)

(2) Provision for impairment of goodwill

RMB

Name of investee	1 January 2025	Additions	Reductions	31 December 2025
SIHICH	–	202,893,131.20	–	**202,893,131.20**
Nanjing Wind Power	156,039,775.24	–	–	**156,039,775.24**
Total	156,039,775.24	202,893,131.20	–	**358,932,906.44**

(3) Information about the asset group or a set of asset groups to which the goodwill is allocated

Name	Composition of the asset group or a set of asset groups to which it is allocated and its basis	Operating segment to which it is allocated and its basis	Is it consistent with that of the prior year?
SIHICH	Bay Area Development asset group/ Generated from acquisition of the asset group	Toll road	Yes
Nanjing Wind Power	Wind turbines manufacturing asset group/ Generated from acquisition of the asset group	Environmental protection	Yes

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Goodwill (Continued)

(4) Specific method for determination of recoverable amount

The recoverable amount is determined at the present value of the expected future cash flows

RMB

Item	Carrying amount (Note 1)	Recoverable amount	Amount of impairment (Note 2)	Projection period (Note 3)	Key parameters for projection period (growth rate, profit margins, etc.)	Basis to determine parameters for projection period	Key parameters for steady period (growth rate, profit margins, discount rate, etc.)	Basis to determine the key parameters for steady period
Bay Area Development asset group	9,030,237,863.30	8,555,020,647.70	475,217,215.60	Guangzhou-Shenzhen Section of Beijing-Hongkong & Macao Expressway: 2026 – 2052 West Line Expressway: 2026 – 2038	Guangzhou-Shenzhen Section of Beijing-Hongkong & Macao Expressway: revenue growth rate: (3.5%)-15%; discount rate: 6.8% before tax West Line Expressway: revenue growth rate: (44%)-9%; discount rate: 7.2% before tax	Revenue growth rate is determined based on the regional economic development, road network planning, and accessibility, etc. Discount rate is the pre-tax interest rate that reflects the current market time value of money and the risks specific to the underlying asset group.	N/A	N/A

Note 1: It represents the carrying amount of the asset group containing goodwill, and the increase for the year was resulted from the expansion and renovation of the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macau Expressway held by Guangzhou-Shenzhen-Zhuhai Expressway, the Company's joint venture and associate.

Note 2: The Company performed an impairment testing on goodwill of the Bay Area Development asset group at the end of the year. It engaged a competent independent third-party agency to assess the present value of the estimated future cash flows for the asset group (including goodwill) as of 31 December 2025, and determined the recoverable amount of the asset group based on the present value of its estimated future cash flows. The assessment results indicate an impairment loss of RMB475,217,215.60 for the asset group, specifically, impairment loss on goodwill amounted to RMB304,217,215.60 (of which RMB202,893,131.20 was attributable to the Company), and the excess of RMB171,000,000.00 was deducted from the carrying amounts of other assets within the asset group (excluding goodwill) in accordance with the requirements of the Accounting Standards for Business Enterprises. Given that the recoverable amount of the long-term equity investments in Guangzhou-Zhuhai West Line Expressway, as assessed, was lower than its carrying amount, the carrying amount of this investment was reduced by RMB171,000,000.00.

Note 3: As at 31 December 2025, the management of the Group projected the future cash flows based on a detailed projection period starting from 2026 to the end of the franchise rights of Guangzhou-Shenzhen Section of Beijing-Hongkong & Macao Expressway and West Line Expressway.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB

Item	31 December 2025		31 December 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment and amortization of franchise rights of Coastal Expressway	**95,872,026.20**	**23,968,006.55**	217,014,426.88	54,253,606.72
Compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Nanguang Expressway, Yanba Expressway and Yanpai Expressway ("Three Expressways") (Note 1)	**98,544,931.35**	**24,636,232.84**	140,544,931.35	35,136,232.84
Employee benefits accrued but not paid	**120,178,557.12**	**30,044,639.28**	119,945,892.12	29,986,473.03
Deductible losses	**4,483,639.56**	**1,120,909.89**	49,722,367.84	12,430,591.96
Adjustments to fair values of net assets of merged enterprises such as Changsha Shenchang High Speed Trunk Road Co., Ltd. in Changsha, Hunan ("Shenchang Company"), etc.	**78,846,596.67**	**19,711,649.17**	96,067,761.63	24,016,940.41
Compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Longda Expressway (Note 1)	**56,929,914.97**	**14,232,478.71**	89,665,931.77	22,416,482.91
Expenses accrued but not paid	**121,726,565.84**	**30,431,641.46**	86,693,156.44	21,673,289.11
Provisions (Note 2)	**200,445,347.12**	**47,156,254.63**	67,027,751.76	13,801,855.79
Bad debt provision	**48,636,723.97**	**9,718,525.78**	60,762,146.18	14,407,273.10
Impairment losses of assets	**61,643,455.44**	**9,577,005.26**	41,948,730.67	8,153,694.16
Amortization of other franchise rights	**79,347,711.04**	**19,836,927.76**	42,814,230.16	10,703,557.54
Meiguan Company – property relocation compensation (Note 3)	**35,343,842.88**	**8,835,960.72**	36,154,374.96	9,038,593.74
Compensation for operating expenses of newly-built road ramp on Meiguan Expressway (Note 4)	**16,350,491.32**	**4,087,622.83**	29,430,883.96	7,357,720.99
Interest on capital reduction receivable from United Land Company (Note 5)	**7,167,160.80**	**1,791,790.20**	7,331,523.64	1,832,880.91
Compensation for demolition costs of old toll stations on Three Expressways and Longda Expressway	**7,176,461.64**	**1,794,115.41**	7,176,461.64	1,794,115.41
Lease liabilities	**29,564,087.22**	**6,153,081.95**	31,703,802.65	7,124,248.44
Others	**52,392,554.80**	**8,254,834.51**	60,857,673.08	10,371,114.08
Total	**1,114,650,067.94**	**261,351,676.95**	1,184,862,046.73	284,498,671.14

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities (Continued)

(1) Deferred tax assets before offsetting (Continued)

Note 1: The Company received compensation for future operating expenses of newly-built toll stations on and toll adjustments regarding Three Expressways and Longda Expressway, and recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount.

Note 2: It represents the expected expenditures of Bioland Company on pending litigation or arbitration and the deferred tax assets accrued in respect of provisions recognized for estimated cost of services of toll roads in the future as provided for by the Group according to relevant government documents.

Note 3: Meiguan Company, the Company's subsidiary, recognized the relocation property compensated by United Land Company, an associate of the Group, as fixed assets. Considering the impact of the unrealized profits of the associate, the Group recognized the corresponding deferred tax assets for the temporary difference between the tax base and the carrying amount of fixed assets recognized.

Note 4: In 2015, the Group received a compensation for future operating expenses of newly-built toll station on Meiguan Expressway, and recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount.

Note 5: United Land Company capitalized the interest on capital reduction payable to the Company. Considering the impact of the unrealized profits of the associate, the Group recognized the corresponding deferred tax assets for the temporary difference between this tax base and carrying amount based on its shareholding ratio of 34.30%.

(2) Deferred tax liabilities before offsetting

RMB

	31 December 2025		31 December 2024	
Item	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not involving entities under common control				
– Qinglong Company	**9,494,315.69**	**2,373,578.93**	294,323,796.69	73,580,949.18
– Guangdong Qinglian Highway Development Co., Ltd. ("Qinglian Company")	**411,424,712.44**	**99,551,371.20**	450,819,849.28	109,400,155.41
– Airport-Heao Eastern Company	**178,875,091.80**	**44,718,774.94**	244,939,890.60	61,234,974.64
– Bioland Company	**423,535,075.95**	**104,062,518.62**	437,855,275.91	107,642,568.61
– Lisai Environmental Protection	**116,006,740.81**	**17,401,011.12**	131,658,218.94	19,748,732.84
– Qiantai Company	**71,253,879.00**	**10,688,081.85**	73,687,678.73	11,053,151.81
– Baotou Nanfeng	**25,290,734.08**	**6,322,683.52**	27,045,989.44	6,761,497.36
– Shenzhen Expressway New Energy Holding Co., Ltd. ("New Energy Company")	**11,531,280.92**	**2,882,820.23**	12,491,024.12	3,122,756.03
Amortization of franchise rights (Note)	**124,379,026.28**	**31,094,756.57**	73,286,675.00	18,321,668.75
Compensation for valuation adjustment mechanism	**117,904,214.77**	**25,413,968.06**	129,822,937.64	27,552,499.17
Right-of-use assets	**28,805,012.04**	**7,136,773.94**	32,059,636.65	7,320,603.82
Taxes on dividends and bonuses of overseas subsidiaries	**2,534,116,100.60**	**126,705,805.03**	3,571,703,028.00	178,585,151.40
Revaluation gain on non-current financial assets	**667,865,658.01**	**163,334,660.96**	528,545,300.44	129,075,619.59
Others	**2,333,517,121.52**	**322,484,263.26**	1,309,029,707.12	259,903,509.41
Total	**7,053,998,963.91**	**964,171,068.23**	7,317,269,008.56	1,013,303,838.02

Note: The methods for amortization of intangible assets associated with the franchise of toll roads are inconsistent in accounting (traffic volume method) and taxation (straight-line method), resulting in temporary differences with deferred tax liabilities recognized.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities (Continued)

(3) Deferred tax assets or liabilities presented on a net basis

RMB

Item	Offsetting amount of deferred tax assets and liabilities as at 31 December 2025	Deferred tax assets or liabilities after offsetting as at 31 December 2025	Offsetting amount of deferred tax assets and liabilities as at 31 December 2024	Deferred tax assets or liabilities after offsetting as at 31 December 2024
Deferred tax assets	**(154,886,331.48)**	**106,465,345.47**	(154,121,986.86)	130,376,684.28
Deferred tax liabilities	**(154,886,331.48)**	**809,284,736.75**	(154,121,986.86)	859,181,851.16

(4) Details of unrecognized deferred tax assets

RMB

Item	31 December 2025	31 December 2024
Deductible losses	**2,282,682,386.75**	2,120,271,920.09
Deductible temporary differences	**2,000,126,623.51**	989,028,185.71
Total	**4,282,809,010.26**	3,109,300,105.80

(5) Deductible losses, for which deferred tax assets are not recognized, will expire in the following years

RMB

Year	31 December 2025	31 December 2024
2025	–	144,366,030.06
2026	**255,684,084.71**	229,308,074.28
2027	**444,378,588.81**	477,020,226.94
2028	**582,940,747.08**	517,949,554.64
2029	**564,508,994.96**	751,628,034.17
2030	**435,169,971.19**	–
Total	**2,282,682,386.75**	2,120,271,920.09

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

RMB

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets over one year (Note)	**814,056,412.18**	**–**	**814,056,412.18**	1,763,574,756.21	–	1,763,574,756.21
Pending deduction of input tax over one year	**107,210,989.73**	**–**	**107,210,989.73**	171,993,521.78	–	171,993,521.78
Others	**4,288,931.46**	**–**	**4,288,931.46**	1,149,104.11	–	1,149,104.11
Total	**925,556,333.37**	**–**	**925,556,333.37**	1,936,717,382.10	–	1,936,717,382.10

Note: It mainly includes the contract assets corresponding to the revenue from toll fee recognized by the Group based on relevant documents issued by the Department of Transport of Guangdong Province.

23. Assets with restricted ownership or use right

RMB

Item	31 December 2025				31 December 2024			
	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash at banks and on hand	**407,072,375.92**	**407,072,375.92**	**Note 1**	**Note 1**	238,088,357.47	238,088,357.47	Note 1	Note 1
Intangible assets – franchise rights	**28,341,913,538.05**	**13,490,028,806.35**	**Pledge**	**Pledge for borrowings**	28,156,966,804.10	14,776,403,557.02	Pledge	Pledge for borrowings
Long-term receivables	**–**	**–**			615,209,283.95	611,073,089.69	Pledge	Pledge for borrowings
Total	**28,748,985,913.97**	**13,897,101,182.27**			29,010,264,445.52	15,625,565,004.18		

Note 1: Refer to Note V, 1 for details.

Note 2: In addition to those mentioned above, the Group pledged with the 100% equity and charging rights to electric charge of Qianxin Company, the 100% equity and charging rights to electric charge of Qianzhi Company, the 100% equity and charging rights to electric charge of Qianhui Company, the equity of kitchen waste disposal projects of certain subsidiaries of Bioland Company, and the charging rights to electric charge of Yongcheng Zhuneng and wind power enterprises under Baotou Nanfeng as security for borrowings.

Note 3: The principal of bank borrowings obtained by the Group through mortgages and pledges of the aforesaid assets totaled RMB5,824,867,332.67.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Short-term borrowings

(1) Categories of short-term borrowings

RMB

Item	31 December 2025	31 December 2024
Credit borrowings	**2,358,185,631.31**	1,044,085,628.01
Guaranteed borrowings	**997,905,756.76**	1,529,763,556.48
Total	**3,356,091,388.07**	2,573,849,184.49

(2) Details of guaranteed borrowings

RMB

Name of entity	31 December 2025	Guaranteed by
CMB Wing Lung Bank Hong Kong Branch	**476,361,675.42**	Bay Area Development
Bank of China (Hong Kong) Limited	**269,881,309.42**	Bay Area Development
Shanghai Pudong Development Bank Hong Kong Branch	**251,662,771.92**	Bay Area Development
Total	**997,905,756.76**	

25. Transactional financial liabilities

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025	Reason and basis for designation
Obligation to pay the difference	197,664,719.66	72,923,373.09	–	**270,588,092.75**	N/A
Total	197,664,719.66	72,923,373.09	–	**270,588,092.75**	

Note: In January 2022, the Group acquired the 100% equity interest in SIHICH held by Shenzhen Investment Holdings International Capital Holding Company Limited and assumed the obligation to make up the difference for CMFGlobal Quantitative Multi-Asset Segregated Portfolio Company and CMFGlobal Quantitative Stable Segregated Portfolio (collectively, "CMFGlobal"). In addition, the Group renewed such obligation to 17 August 2028 or earlier maturity date as determined by the Company and either of Mei Wah Company and CMFGlobal in accordance with the written notice on Agreement for Make-Up of the Earnings during the Renewal Period or other covenants of the agreement. If CMFGlobal disposes of its 9.45% equity interest in Bay Area Development before 17 August 2028, the difference between the transfer price and the agreed investment cost of HKD1,075,713,016.54 will be made up by the Group. Meanwhile, during the Renewal Period, the portion of the annual investment return obtained by CMFGlobal through Bay Area Development that does not reach the agreed level will be made up by the Group. As at 31 December 2025, the balance of liabilities for difference make-up obligation recognized by the Group amounted to RMB270,588,092.75.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Bills payable

(1) Presentation of bills payable

RMB

Item	31 December 2025	31 December 2024
Commercial acceptance bills	**334,725,708.50**	853,453,402.08
Bank acceptance bills	**–**	17,225,000.00
Total	**334,725,708.50**	870,678,402.08

As at 31 December 2025, the Group had no overdue bills payable.

27. Accounts payable

(1) Presentation of accounts payable

RMB

Item	31 December 2025	31 December 2024
Payables for construction projects, warranty deposits and security deposits	**2,355,522,142.44**	2,466,684,629.14
Payables for goods	**366,226,825.97**	402,901,125.35
Others	**147,652,725.59**	118,220,326.16
Total	**2,869,401,694.00**	2,987,806,080.65

*(2) Accounts payable disclosed by aging

RMB

Item	31 December 2025	31 December 2024
0 to 90 days	**1,044,513,426.62**	1,157,443,526.67
91 days to 180 days	**162,396,434.97**	179,592,243.78
181 days to 365 days	**119,309,026.62**	148,695,939.35
Over one year	**1,543,182,805.79**	1,502,074,370.85
Total	**2,869,401,694.00**	2,987,806,080.65

Note: The aging of accounts payable is determined based on the date of recognition.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Accounts payable (Continued)

(3) Significant accounts payable aged over one year

RMB

Item	31 December 2025	Reason for failure in repayment or carry-forward
Payables for goods	**182,050,800.00**	The payments for goods remain unsettled
Payables for construction projects	**586,330,480.28**	The project funds remain unsettled
Total	**768,381,280.28**	

28. Advances from customers

(1) Presentation of advances from customers

RMB

Item	31 December 2025	31 December 2024
Income from advertising billboard received in advance	**463,090.70**	787,138.81

29. Contract liabilities

(1) Details of contract liabilities

RMB

Item	31 December 2025	31 December 2024
Advance payment received for sales of goods	**31,360,431.45**	24,621,412.66
Advance payment received for sales of development properties	**12,512,694.97**	19,895,133.02
Advance payment received for sales of wind turbine	**5,410,833.00**	5,410,833.00
Advance payment received for operation and management services	**868,152.79**	6,839,226.27
Others	**4,392,057.43**	4,946,233.03
Total	**54,544,169.64**	61,712,837.98

(2) There is no amount with significant change in carrying amount during the year.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable

(1) Presentation of employee benefits payable

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025
I. Short-term employee benefits	351,107,153.76	1,076,662,060.88	1,070,226,577.04	**357,542,637.60**
II. Post-employment benefits – defined contribution plans	7,539,283.95	128,879,327.12	126,888,717.79	**9,529,893.28**
Total	358,646,437.71	1,205,541,388.00	1,197,115,294.83	**367,072,530.88**

(2) Presentation of short-term employee benefits

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025
I. Wages and salaries, bonuses, allowances and subsidies	322,424,608.27	846,301,277.00	840,248,064.09	**328,477,821.18**
II. Staff welfare	7,344,192.83	102,087,030.00	102,059,650.92	**7,371,571.91**
III. Social security contributions	853,919.57	31,437,299.88	31,551,212.59	**740,006.86**
Including: Medical insurance	667,124.66	25,673,610.05	25,747,434.01	**593,300.70**
Work injury insurance	120,082.44	3,807,716.94	3,831,385.80	**96,413.58**
Maternity insurance	66,712.47	1,955,972.89	1,972,392.78	**50,292.58**
IV. Housing funds	1,793,476.87	68,941,976.00	68,784,508.63	**1,950,944.24**
V. Labor union funds and employee education funds	10,976,742.38	21,284,480.00	21,517,110.33	**10,744,112.05**
VI. Others	7,714,213.84	6,609,998.00	6,066,030.48	**8,258,181.36**
Total	351,107,153.76	1,076,662,060.88	1,070,226,577.04	**357,542,637.60**

(3) Presentation of defined contribution plans

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025
1. Basic pensions	2,134,798.89	97,465,315.74	96,594,129.68	**3,005,984.95**
2. Unemployment insurance	106,739.95	3,844,633.38	3,883,021.03	**68,352.30**
3. Enterprise annuities	5,297,745.11	27,569,378.00	26,411,567.08	**6,455,556.03**
Total	7,539,283.95	128,879,327.12	126,888,717.79	**9,529,893.28**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable (Continued)

(3) Presentation of defined contribution plans (Continued)

The Group participates, as required, in the pension insurance and unemployment plan established by government institutions. According to such plans, the Group contributes monthly to such plans based on the regulations of the government institutions. Except for above monthly contributions, the Group does not assume further payment obligations. The related expenditures are either included in cost of related assets or charged to profit or loss for the period when they are incurred.

2025, the Group should contribute to the pension insurance and unemployment plans amounting to RMB97,465,315.74 and RMB3,844,633.38 (2024: RMB81,547,061.43 and RMB4,077,353.07), respectively. As at 31 December 2025, the Group has outstanding contributions to the pension insurance and unemployment plans that are due as at the reporting period amounting to RMB3,005,984.95 and RMB68,352.30 (31 December 2024: RMB2,134,798.89 and RMB106,739.95).

31. Taxes payable

RMB

Item	31 December 2025	31 December 2024
Enterprise income tax	**195,725,030.87**	156,532,567.91
VAT	**117,710,310.03**	165,987,502.89
Land appreciation tax	**23,060,616.41**	23,611,892.32
Property tax	**5,978,807.06**	2,279,679.64
City maintenance and construction tax	**3,102,200.84**	3,126,377.08
Educational surcharge	**2,417,337.05**	2,416,671.42
Others	**4,082,096.39**	3,566,165.43
Total	**352,076,398.65**	357,520,856.69

32. Other payables

32.1 Presentation of other payables

RMB

Item	31 December 2025	31 December 2024
Dividends payable	**62,493,194.42**	85,013,326.10
Other payables	**1,196,109,975.85**	1,083,986,965.13
Total	**1,258,603,170.27**	1,169,000,291.23

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Other payables (Continued)

32.2 Dividends payable

Presentation by category

RMB

Item	31 December 2025	31 December 2024
Perpetual bond dividends classified as equity instruments	**58,071,944.42**	3,911,111.11
Including: Perpetual bond dividends	**58,071,944.42**	3,911,111.11
Dividends payable – Shareholders of KINGNICE	**4,421,250.00**	–
Dividends payable – Shareholders of Shenchang Company	**–**	80,360,000.00
Dividends payable – Shareholders of Sichuan Lansheng	**–**	742,214.99
Total	**62,493,194.42**	85,013,326.10

32.3 Other payables

(1) Presentation of other payables by nature

RMB

Item	31 December 2025	31 December 2024
Payables for Longli River Bridge project (Note)	**250,393,047.48**	–
Payables related to maintenance for roads	**153,865,077.76**	126,714,536.78
Accrued project expenditure and special administrative expenses	**141,968,929.69**	216,220,839.40
Payables to related parties (Note XI, 6(2))	**137,110,662.77**	182,907,034.91
Payables for tender and performance deposits and warranty deposits	**133,389,341.00**	135,098,350.66
Payables for mechanical and electrical costs	**35,911,510.08**	67,623,735.44
Project funds retained for construction management contracts	**33,728,057.51**	62,586,689.26
Payables for provincial toll station cancellation project	**29,182,658.08**	29,182,658.08
Receipts of liquidated damages for equity transfer of Guizhou Xinhe Lifu Real Estate Development Co., Ltd.	**20,412,000.00**	20,412,000.00
Payables for agent-construction of Coastal Expressway Phase II Project	**19,378,599.38**	19,378,599.38
Payables related to independent costs of agent-construction projects	**10,915,545.35**	10,915,545.35
Payables for equity acquisition	**6,475,000.00**	6,475,000.00
Payables for demolition of old stations	**6,273,174.30**	6,273,174.30
Payables for country road construction and management services in Hunan Province	**3,041,574.14**	3,041,574.14
Payables for subscription funds and down deposits for development property sales	**2,043,000.00**	3,293,000.00
Others	**212,021,798.31**	193,864,227.43
Total	**1,196,109,975.85**	1,083,986,965.13

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Other payables (Continued)

32.3 Other payables (Continued)

(1) Presentation of other payables by nature (Continued)

Note: Guizhou Guishen Investment Development Company Limited ("Guishen Company"), a subsidiary of the Company, has received the receivables from Longli County Government of Guizhou Province for Longli River Bridge project, and the payment was deposited into a jointly-managed account established in the name of Guishen Company. Pursuant to the account supervision agreement, the funds may only be freely disposed of by Guishen Company upon fulfillment of the stipulated conditions.

(2) Significant other payables aged over one year

As at 31 December 2025, the Group had no significant other payables aged over one year.

33. Non-current liabilities due within one year

RMB

Item	31 December 2025	31 December 2024
Long-term borrowings due within one year (Note V, 35)	**1,501,604,093.38**	2,393,570,384.34
Including: Credit borrowings	**758,505,055.54**	1,014,529,656.43
Pledged borrowings	**476,509,265.89**	514,358,945.10
Guaranteed borrowings	**266,589,771.95**	864,681,782.81
Bonds payable due within one year (Note V, 36)	**4,866,416,188.12**	134,874,566.81
Lease liabilities due within one year (Note V, 37)	**15,044,198.34**	15,807,598.80
Total	**6,383,064,479.84**	2,544,252,549.95

34. Other current liabilities

RMB

Item	31 December 2025	31 December 2024
Ultra-short-term financing bonds (Note)	**1,517,142,451.70**	3,016,271,998.43
Output tax to be transferred	**35,552,458.99**	37,105,032.72
Total	**1,552,694,910.69**	3,053,377,031.15

Note: RMB1.5 billion of ultra-short-term financing bonds was issued by the Company on 15 April 2025 with an annual interest rate of 1.64% and a term of 270 days.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Long-term borrowings

(1) Categories of long-term borrowings

RMB

Item	31 December 2025	31 December 2024	Range of interest rate
Credit borrowings	**5,366,647,595.05**	7,561,118,531.05	2.29%-2.74%
Pledged borrowings	**4,924,000,519.29**	5,679,260,372.98	2.15%-3.41%
Guaranteed borrowings	**1,428,670,000.00**	2,233,619,257.84	2.20%-3.10%
Guaranteed and pledged borrowings	**566,944,591.18**	528,469,240.00	2.55%-3.45%
Guaranteed, mortgage and pledged borrowings	**333,922,222.20**	291,566,666.66	2.70%-3.10%
Accrued interest	**8,634,236.44**	11,809,650.02	
Total	**12,628,819,164.16**	16,305,843,718.55	
Less: Long-term borrowings due within one year (Note V, 33)	**1,501,604,093.38**	2,393,570,384.34	
Long-term borrowings due after one year	**11,127,215,070.78**	13,912,273,334.21	

36. Bonds payable

(1) Categories of bonds payable

RMB

Item	31 December 2025	31 December 2024
Long-term corporate bonds	**10,107,248,624.37**	7,801,114,988.35
Medium-term notes	**4,052,713,639.84**	2,527,982,642.74
Total	**14,159,962,264.21**	10,329,097,631.09
Less: Bonds payable due within one year (Note V, 33)	**4,866,416,188.12**	134,874,566.81
Bonds payable due after one year	**9,293,546,076.09**	10,194,223,064.28

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Bonds payable (Continued)

(2) Details of bonds payable

RMB

Name of bonds	Par value	Coupon rate (%)	Date of issuance	Maturity	Issued amount	1 January 2025	Issue amount in the current year	Accrual of interest by par value	Discount and issue fee amortization	Effects of foreign currency translation	Payment amount in the current year	31 December 2025	Is it in breach of contract
Long-term corporate bonds	USD 300,000,000.00	1.75	8 July 2021	5 years	2,156,520,000.00	2,169,808,065.60	-	37,603,535.27	3,842,168.55	(47,880,000.00)	38,006,192.90	2,125,367,576.52	No
Long-term corporate bonds	1,500,000,000.00	3.18	20 January 2022	7 years	1,500,000,000.00	1,542,808,351.77	-	47,702,250.00	564,981.80	-	47,702,250.00	1,543,373,333.57	No
Long-term corporate bonds	1,000,000,000.00	3.35	23 July 2021	5 years	1,000,000,000.00	1,013,507,909.03	-	33,500,000.04	579,431.53	-	33,500,000.00	1,014,087,340.60	No
Long-term corporate bonds	550,000,000.00	2.88	17 October 2023	3 years	550,000,000.00	552,527,796.93	-	15,846,007.87	406,671.28	-	15,840,000.00	552,940,476.08	No
Long-term corporate bonds	550,000,000.00	2.25	27 May 2024	3 years	550,000,000.00	556,967,214.63	-	12,375,583.68	188,381.98	-	12,375,583.73	557,155,596.56	No
Long-term corporate bonds	950,000,000.00	2.70	27 May 2024	10 years	950,000,000.00	964,435,815.49	-	25,651,209.96	90,902.45	-	25,651,209.91	964,526,717.99	No
Long-term corporate bonds	1,000,000,000.00	2.20	2 December 2024	5 years	1,000,000,000.00	1,001,059,834.90	-	22,001,037.74	170,406.49	-	22,001,037.74	1,001,230,241.39	No
Long-term corporate bonds (Note 1)	2,300,000,000.00	2.29	12 March 2025	5 years	2,300,000,000.00	-	2,300,000,000.00	50,027,359.64	(1,460,017.98)	-	-	2,348,567,341.66	No
Medium-term notes	1,000,000,000.00	2.89	22 May 2023	3 years	1,000,000,000.00	1,017,041,088.83	-	28,910,474.49	336,497.75	-	28,900,954.24	1,017,387,106.83	No
Medium-term notes	1,000,000,000.00	3.05	4 September 2023	5 years	1,000,000,000.00	1,009,141,707.42	-	30,500,503.56	161,325.21	-	30,500,503.54	1,009,303,032.65	No
Medium-term notes	500,000,000.00	2.16	21 October 2024	3 years	500,000,000.00	501,799,846.49	-	10,800,178.32	113,332.86	-	10,800,178.30	501,913,179.37	No
Medium-term notes (Note 2)	1,000,000,000.00	1.70	8 January 2025	3 years	1,000,000,000.00	-	1,000,000,000.00	16,669,719.70	(606,845.98)	-	-	1,016,062,873.72	No
Medium-term notes (Note 2)	500,000,000.00	1.70	8 January 2025	3 years	500,000,000.00	-	500,000,000.00	8,334,859.85	(287,412.58)	-	-	508,047,447.27	No
Total						10,329,097,631.09	3,800,000,000.00	339,922,720.12	4,099,823.36	(47,880,000.00)	265,277,910.36	14,159,962,264.21	

Note 1: Corporate bonds

On 12 March 2025, the Company completed the issuance of "25 Shen Gao 01", and the actual issuance scale was RMB2.3 billion. The bond was issued at the rate of 2.29%. The term of the bond is 5 years, and the interest-bearing term is from 12 March 2025 to 12 March 2030.

Note 2: Medium-term notes

(1) On 8 January 2025, the Company issued the first phase of 2025 medium-term notes of RMB1,000,000,000.00, which bear a term of 3 years and interest at a rate of 1.70%, with an inception date of interest on 9 January 2025 and a payment date on 9 January 2028. (2) On 8 January 2025, the Company issued the second phase of 2025 medium-term notes of RMB500,000,000.00, which bear a term of 3 years and interest at a rate of 1.70%, with an inception date of interest on 9 January 2025 and a payment date on 9 January 2028.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Lease liabilities

RMB

Item	31 December 2025	31 December 2024
Lease liabilities	**29,564,087.22**	31,703,802.65
Less: Lease liabilities included in non-current liabilities due within one year (Note V, 33)	**15,044,198.34**	15,807,598.80
Net amount	**14,519,888.88**	15,896,203.85

The analysis of the Group's lease liabilities based on the maturity period of the undiscounted remaining contractual obligations is as follows:

RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2025	15,760,238.64	9,834,571.02	4,393,885.94	538,721.94	30,527,417.54
31 December 2024	16,613,623.72	12,547,223.39	3,742,849.56	47,619.05	32,951,315.72

38. Long-term payables

(1) Presentation of long-term payables by nature

RMB

Item	31 December 2025	31 December 2024
Borrowings from associates and joint ventures (Note XI, 6(2))	**387,586,715.85**	387,586,715.85
Total	**387,586,715.85**	387,586,715.85
Less: Long-term payables due within one year	**–**	–
Long-term payables due after one year	**387,586,715.85**	387,586,715.85

39. Long-term employee benefits payable

RMB

Item	31 December 2025	31 December 2024
Other long-term employee benefits (Note)	**115,649,911.45**	115,649,911.45

Note: Other long-term employee benefits are the Group's long-term incentive bonuses.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Provisions

RMB

Item	31 December 2025	31 December 2024
Cost of services in the future (Note 1)	**163,481,827.30**	144,424,808.03
Subsequent expenditure on kitchen waste disposal project (Note 2)	**90,067,583.23**	62,207,791.74
Pending litigation or arbitration	**77,618,869.83**	28,625,430.96
Product warranty deposits	**1,641,043.92**	6,785,851.15
Total	**332,809,324.28**	242,043,881.88

Note 1: It represents the estimated cost of services of toll roads in the future accrued by the Group according to relevant government documents.

Note 2: It represents the expenditure expected to be incurred by the Group to maintain a certain service capacity of the kitchen waste disposal assets it holds or to maintain a certain state of use of these assets before they are handed over to the contract grantor.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Deferred revenue

RMB

Item	1 January 2025	Additions	Reductions	Other changes	31 December 2025	Reason
Compensation for future operating expenses of newly-built stations on Nanguang Expressway and Yanpai Expressway	140,544,931.35	–	42,000,000.00	–	98,544,931.35	Compensation from the People's Government of Shenzhen Municipality for future operating expenses of newly-built stations on Nanguang Expressway and Yanpai Expressway
Compensation for future operating expenses of newly-built stations on the free section of Longda Expressway	89,665,931.77	–	32,736,016.80	–	56,929,914.97	Compensation from the People's Government of Shenzhen Municipality for future operating expenses of newly-built stations on Shenzhen Section of Longda Expressway
Compensation for operating expenses regarding the new ramp on the free section of Meiguan Expressway	29,430,883.96	–	13,080,392.64	–	16,350,491.32	Compensation from the People's Government of Shenzhen Municipality for adjustment of toll fees of Meiguan Expressway and future operating expenses of new ramps on Meiguan Expressway
Central subsidy funds for cancellation of the provincial expressway toll station project	12,331,159.62	–	6,232,553.55	–	6,098,606.07	The Ministry of Transport's cash subsidies for cancellation of the provincial expressway toll station project regarding the toll roads of the Company
Government economic grants for Bioland Company	21,851,557.88	5,432,950.13	2,247,305.22	–	25,037,202.79	Government grants for equipment received by Bioland Company
Government compensation for demolition	2,746,988.94	–	2,746,988.94	–	–	Government compensation for demolition received by Qinglong Company
Government financial grants for Guizhou Land	465,300.35	–	29,178.29	–	436,122.06	Government financial grants received by Guizhou Land from Guizhou Longli County Government
Government grants for safety and resilience enhancement project of Qinglian Expressway	–	44,100,000.00	17,183,320.43	–	26,916,679.57	Government grants received by Qinglian Company for safety and resilience enhancement project of Qinglian Expressway
Research funding for self-organizing operation technology project of autonomous road traffic systems	–	550,499.22	–	–	550,499.22	Research funding received for a key national R&D project in collaboration with other parties
Research project funding for organic waste-related studies of Lisai Environmental Protection	–	450,000.00	408,261.89	–	41,738.11	Research funding received by Lisai Environmental Protection for urban organic waste fuel technology
Total	297,036,753.87	50,533,449.35	116,664,017.76	–	230,906,185.46	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Equity

RMB

Item	1 January 2025	Changes for the year					31 December 2025
		New shares issued	Bonus issue	Transfer from reserve	Others	Sub-total	
Equity	**2,180,770,326.00**	**357,085,801.00**	–	–	–	**357,085,801.00**	**2,537,856,127.00**

Note: The Company issued 357,085,801 A shares at an issuance price of RMB13.17 per share to specific investors, raising a total of RMB4,702,819,999.17. After deducting issuance costs (excluding VAT) of RMB23,583,484.46, the net proceeds from the issuance amounted to RMB4,679,236,514.71, of which RMB357,085,801.00 was included in equity and RMB4,322,150,713.71 was included in capital reserve – share premium. The registration procedures for the newly issued shares were completed on 27 March 2025 with China Securities Depository and Clearing Corporation Limited Shanghai Branch. As a result, the total equity issued by the Company increased from 2,180,770,326 shares to 2,537,856,127 shares.

43. Other equity instruments

(1) As at 31 December 2025, the specific information of the Group's outstanding perpetual bonds is as follows:

RMB

Item	Issue date	Accounting classification	Interest rate	Amount	Expiry day or renewal situation	Transfer conditions	General information of transfer
Perpetual corporate bonds – 25 Shen Gao Y1	16 April 2025	Other equity instruments	2.05%	1,000,000,000.00	3+N years	Nil	Nil
Perpetual corporate bonds – 25 Shen Gao Y2	16 April 2025	Other equity instruments	2.20%	1,000,000,000.00	5+N years	Nil	Nil
Perpetual corporate bonds – 25 Shen Gao Y3	13 May 2025	Other equity instruments	2.05%	1,000,000,000.00	3+N years	Nil	Nil
Perpetual corporate bonds – 25 Shen Gao Y4	13 May 2025	Other equity instruments	2.18%	1,000,000,000.00	5+N years	Nil	Nil

(2) Changes in the Group's outstanding perpetual bonds are as follows:

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025
Perpetual bonds	4,000,000,000.00	4,000,000,000.00	4,000,000,000.00	4,000,000,000.00

Note: In the current year, the Company has early redeemed the perpetual bonds which were originally issued on 4 December 2020 amounting to RMB4,000,000,000.00, and paid the principal and interest in full on 21 April 2025. On 16 April 2025 and 13 May 2025, the Company publicly issued perpetual corporate bonds totaling RMB4,000,000,000.00 to professional investors, which were included in other equity instruments. The issuance costs of RMB3,858,490.57 were offset against capital reserve – share premium.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Capital reserve

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025
Share premium	4,108,309,089.42	4,322,150,713.71	9,728,242.73	**8,420,731,560.40**
Including: Contributions from investors (Note 1)	1,444,510,961.24	4,322,150,713.71	3,858,490.57	**5,762,803,184.38**
Business combination involving entities under common control	2,759,887,122.51	–	–	**2,759,887,122.51**
Acquisition of minority interests in subsidiaries (Note 2)	(95,077,473.00)	–	5,869,752.16	**(100,947,225.16)**
Capital injection in the investee	(1,011,521.33)	–	–	**(1,011,521.33)**
Other capital reserve (Note 3)	283,885,330.73	1,789,285.75	23,407,170.54	**262,267,445.94**
Total	4,392,194,420.15	4,323,939,999.46	33,135,413.27	**8,682,999,006.34**

Note 1: The reasons for the increase in capital reserve – share premium for the year are set out in Note V, 42, and the reasons for the decrease are set out in Note V, 43.

Note 2: Refer to Note VII, 2(2).

Note 3: The Group decreased the capital reserve by RMB21,617,884.79 in proportion to its shareholdings based on the change in capital reserve of joint ventures and associates held.

45. Other comprehensive income

RMB

Item	1 January 2025	Amount incurred in the current year: Pre-tax amount incurred during the year	Amount incurred in the current year: Less: Amount included in other comprehensive income in the previous period and transferred to profit or loss in the current year	Amount incurred in the current year: Less: Income tax expenses	Amount incurred in the current year: Amount attributable to the Company, net of tax	Amount incurred in the current year: Amount attributable to minority shareholders, net of tax	31 December 2025
I. Other comprehensive income that may not be reclassified to profit or loss	-	-	-	-	-	-	-
Including: Changes from remeasurement of defined benefit plans	-	-	-	-	-	-	-
II. Other comprehensive income that may be reclassified to profit or loss	(762,550,544.98)	68,614,264.48	-	-	46,794,230.47	21,820,034.01	(715,756,314.51)
Including: Appreciation of initial equity interest upon business combination	893,132,218.74	-	-	-	-	-	893,132,218.74
Other comprehensive income that will be reclassified to profit or loss under the equity method (Note V,13)	19,307,307.90	231,734.94	-	-	231,734.94	-	19,539,042.84
Translation differences of financial statements denominated in foreign currencies	(1,675,396,251.62)	68,382,529.54	-	-	46,562,495.53	21,820,034.01	(1,628,833,756.09)
Others	406,180.00	-	-	-	-	-	406,180.00
Total other comprehensive income	(762,550,544.98)	68,614,264.48	-	-	46,794,230.47	21,820,034.01	(715,756,314.51)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Surplus reserve

RMB

Item	1 January 2025	Additions	Reductions	31 December 2025
Statutory surplus reserve	3,053,534,629.12	130,291,842.90	–	**3,183,826,472.02**
Discretionary surplus reserve	453,391,330.06	260,583,685.86	–	**713,975,015.92**
Total	3,506,925,959.18	390,875,528.76	–	**3,897,801,487.94**

In accordance with the *Company Law of the People's Republic of China*, the Company's Articles of Association and the resolution of the Shareholders' Meeting, the Company should appropriate 10% of the net profit for the year to the statutory surplus reserve, where the appropriation can be ceased when the statutory surplus reserve reaches 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase capital after approval from the appropriate authorities. The Company has appropriated statutory surplus reserve of RMB130,291,842.90 for the year ended 31 December 2025 (for the year ended 31 December 2024: RMB288,734,726.30).

The amount of the Company's discretionary surplus reserve shall be proposed by the Board of Directors and subject to the approval at the Shareholders' Meeting. The discretionary surplus reserve can be used to make up for previous years' loss or increase capital upon approval. The Company has appropriated discretionary surplus reserve of RMB260,583,685.86 for the year ended 31 December 2025 (for the year ended 31 December 2024: nil).

47. Undistributed profits

RMB

Item	2025	2024
Balance of undistributed profits at the end of the prior year before adjustment	**8,586,181,562.92**	9,112,002,127.97
Opening balance of undistributed profits after adjustment	**8,586,181,562.92**	9,112,002,127.97
Add: Net profit attributable to shareholders of the Company in the current year	**1,149,351,721.66**	1,145,048,951.69
Less: Appropriation of statutory surplus reserve	**130,291,842.90**	288,734,726.30
Appropriation of discretionary surplus reserve	**260,583,685.86**	–
Ordinary share dividends payable (Note)	**619,236,894.99**	1,199,423,679.30
Dividends paid to other equity instruments	**97,183,055.53**	182,711,111.14
Closing balance of undistributed profits	**8,628,237,805.30**	8,586,181,562.92

Note: According to the resolution of the General Meeting of Shareholders on 30 June 2025, the Company distributed 2024 cash dividends to all shareholders at RMB0.244 per share. Based on the 2,537,856,127 shares issued, cash dividends amounting to RMB619,236,894.99 were distributed in total, of which cash dividend of RMB436,846,894.99 was distributed for 1,790,356,127 A shares issued, and cash dividend of HKD199,797,562.42 (equivalent to RMB182,390,000.00) was distributed for 747,500,000 H shares issued. As of 31 December 2025, the above dividends have been paid.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services

(1) Details of operating income and cost of services

RMB

Item	2025		2024	
	Income	Cost	Income	Cost
Main business – Toll road	**5,123,849,101.01**	**2,811,056,075.22**	5,053,338,436.13	2,613,870,354.46
Main business – Environmental protection	**1,517,716,278.51**	**1,266,745,590.89**	1,409,037,680.12	1,223,216,827.79
– Operation of kitchen waste disposal projects	**779,900,747.02**	**716,524,725.98**	693,831,504.98	642,905,652.48
– Wind power	**544,286,877.08**	**295,018,656.12**	549,084,939.88	305,224,047.53
– Construction of kitchen waste disposal projects	**32,956,385.30**	**55,681,897.34**	(17,866,851.46)	31,388,550.11
– Sales of kitchen waste disposal equipment	**5,736,872.61**	**10,630,537.65**	7,597,766.38	17,514,281.72
– Others	**154,835,396.50**	**188,889,773.80**	176,390,320.34	226,184,295.95
Other services	**2,622,915,161.51**	**2,379,192,897.43**	2,783,315,371.02	2,487,311,732.34
– Construction service under franchise arrangements	**1,995,659,267.27**	**1,880,535,842.70**	1,963,891,183.09	1,792,554,506.56
– Entrusted construction and management services	**308,811,229.07**	**279,961,373.40**	444,044,057.27	405,522,216.35
– Financial leasing	**59,281,018.26**	**50,796,725.33**	68,593,236.63	51,014,641.47
– Real estate development	**46,307,169.02**	**37,624,579.69**	29,261,504.63	21,413,011.25
– Advertising	**911,344.22**	**3,820,211.08**	3,445,935.30	4,789,087.12
– Others	**211,945,133.67**	**126,454,165.23**	274,079,454.10	212,018,269.59
Total	**9,264,480,541.03**	**6,456,994,563.54**	9,245,691,487.27	6,324,398,914.59

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(2) Breakdown of operating income

2025

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	4,872,194,528.00	370,298,430.73	247,892,668.92	59,281,018.26	1,956,600,594.06	204,003,035.67	7,710,270,275.64
Hunan Province	251,654,573.01	35,621,495.17	60,306,555.57	-	-	4,386,147.58	351,968,771.33
Guizhou Province	-	99,051,361.20	612,004.58	-	3,913,836.85	47,257,663.03	150,834,865.66
Hubei Province	-	12,294,590.06	-	-	313,016.54	-	12,607,606.60
Jiangsu Province	-	81,701,904.81	-	-	(1,074,526.51)	5,734.51	80,633,112.81
Inner Mongolia Autonomous Region	-	245,519,826.37	-	-	-	12,318.58	245,532,144.95
Guangxi Zhuang Autonomous Region	-	120,879,936.50	-	-	7,615,231.55	415,148.66	128,910,316.71
Shandong Province	-	41,172,044.84	-	-	(27,839.36)	2,922,279.75	44,066,485.23
Zhejiang Province	-	30,843,496.58	-	-	-	14,159.29	30,857,655.87
Sichuan Province	-	44,500,300.83	-	-	203,940.41	4,601.77	44,708,843.01
Jiangxi Province	-	80,492,613.25	-	-	9,633,770.80	142,558.07	90,268,942.12
Hebei Province	-	18,415,200.45	-	-	17,896,408.40	-	36,311,608.85
Xinjiang Uygur Autonomous Region	-	290,222,895.34	-	-	-	-	290,222,895.34
Henan Province	-	20,861,354.52	-	-	-	-	20,861,354.52
Ningxia Hui Autonomous Region	-	18,992,133.73	-	-	-	-	18,992,133.73
Anhui Province	-	6,848,694.13	-	-	584,834.53	-	7,433,528.66
Total	5,123,849,101.01	1,517,716,278.51	308,811,229.07	59,281,018.26	1,995,659,267.27	259,163,646.91	9,264,480,541.03

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of revenue recognition							
Revenue recognized at a point in time	5,123,849,101.01	1,484,759,893.21	-		-	128,511,859.32	6,737,120,853.54
Revenue recognized over time	-	32,956,385.30	308,811,229.07		1,995,659,267.27	129,740,443.37	2,467,167,325.01
Total	5,123,849,101.01	1,517,716,278.51	308,811,229.07		1,995,659,267.27	258,252,302.69	9,204,288,178.55

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(2) Breakdown of operating income (Continued)

2024

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	4,705,253,255.15	354,624,695.71	355,318,553.08	68,593,236.63	1,933,078,452.58	267,760,035.63	7,684,628,228.78
Hunan Province	348,085,180.98	37,596,818.05	36,002,339.52	–	–	8,924,383.44	430,608,721.99
Guizhou Province	–	99,265,537.49	52,723,164.67	–	2,944,043.48	29,265,523.46	184,198,269.10
Hubei Province	–	12,150,215.20	–	–	–	–	12,150,215.20
Jiangsu Province	–	31,675,319.58	–	–	931,013.26	23,531.70	32,629,864.54
Inner Mongolia Autonomous Region	–	228,805,887.17	–	–	516,938.94	–	229,322,826.11
Guangxi Zhuang Autonomous Region	–	111,918,520.16	–	–	13,222,391.46	591,246.16	125,732,157.78
Shandong Province	–	41,055,990.16	–	–	998,619.10	62,330.97	42,116,940.23
Zhejiang Province	–	28,299,020.70	–	–	2,324,135.42	–	30,623,156.12
Sichuan Province	–	25,209,866.96	–	–	4,540,230.81	–	29,750,097.77
Jiangxi Province	–	64,932,786.54	–	–	423,343.62	158,200.19	65,514,330.35
Hebei Province	–	17,167,339.10	–	–	249,238.15	–	17,416,577.25
Xinjiang Uygur Autonomous Region	–	296,812,199.83	–	–	–	–	296,812,199.83
Henan Province	–	23,729,417.83	–	–	–	–	23,729,417.83
Ningxia Hui Autonomous Region	–	27,435,324.09	–	–	–	–	27,435,324.09
Anhui Province	–	8,358,741.55	–	–	4,662,776.27	1,642.48	13,023,160.30
Total	**5,053,338,436.13**	**1,409,037,680.12**	**444,044,057.27**	**68,593,236.63**	**1,963,891,183.09**	**306,786,894.03**	**9,245,691,487.27**

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of revenue recognition							
Revenue recognized at a point in time	5,053,338,436.13	1,426,904,531.58	–		–	162,066,541.00	6,642,309,508.71
Revenue recognized over time	–	(17,866,851.46)	444,044,057.27		1,963,891,183.09	141,274,417.73	2,531,342,806.63
Total	**5,053,338,436.13**	**1,409,037,680.12**	**444,044,057.27**		**1,963,891,183.09**	**303,340,958.73**	**9,173,652,315.34**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(3) Breakdown of cost of services

2025

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	2,709,676,195.82	431,920,450.29	220,575,662.76	50,796,725.33	1,841,477,169.49	128,871,459.16	5,383,317,662.85
Hunan Province	101,379,879.40	29,420,657.61	56,424,315.42	-	-	-	187,224,852.43
Guizhou Province	-	98,209,620.67	2,961,395.22	-	3,913,836.85	37,624,579.69	142,709,432.43
Hubei Province	-	13,780,683.68	-	-	313,016.54	-	14,093,700.22
Jiangsu Province	-	48,148,250.39	-	-	(1,074,526.51)	-	47,073,723.88
Inner Mongolia Autonomous Region	-	134,346,592.99	-	-	-	-	134,346,592.99
Guangxi Zhuang Autonomous Region	-	130,714,625.01	-	-	7,615,231.55	151,754.06	138,481,610.62
Shandong Province	-	37,363,024.27	-	-	(27,839.36)	1,150,544.33	38,485,729.24
Zhejiang Province	-	43,115,500.76	-	-	-	-	43,115,500.76
Sichuan Province	-	28,339,738.58	-	-	203,940.41	-	28,543,678.99
Jiangxi Province	-	63,271,938.63	-	-	9,633,770.80	100,618.76	73,006,328.19
Hebei Province	-	23,710,902.35	-	-	17,896,408.40	-	41,607,310.75
Xinjiang Uygur Autonomous Region	-	131,237,408.34	-	-	-	-	131,237,408.34
Henan Province	-	16,534,606.78	-	-	-	-	16,534,606.78
Ningxia Hui Autonomous Region	-	22,741,113.36	-	-	-	-	22,741,113.36
Anhui Province	-	13,890,477.18	-	-	584,834.53	-	14,475,311.71
Total	2,811,056,075.22	1,266,745,590.89	279,961,373.40	50,796,725.33	1,880,535,842.70	167,898,956.00	6,456,994,563.54

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of cost recognition							
Cost recognized at a point in time	2,811,056,075.22	1,211,063,693.55	-		-	120,482,972.46	4,142,602,741.23
Cost recognized over time	-	55,681,897.34	279,961,373.40		1,880,535,842.70	43,595,772.46	2,259,774,885.90
Total	2,811,056,075.22	1,266,745,590.89	279,961,373.40		1,880,535,842.70	164,078,744.92	6,402,377,627.13

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(3) Breakdown of cost of services (Continued)

2024

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	2,456,168,461.67	400,105,206.64	326,001,995.72	51,014,641.47	1,761,741,776.05	216,424,792.53	5,211,456,874.08
Hunan Province	157,701,892.79	23,720,196.93	35,384,360.84	–	–	–	216,806,450.56
Guizhou Province	–	79,203,606.87	44,135,859.79	–	2,944,043.48	21,413,011.25	147,696,521.39
Hubei Province	–	14,252,569.24	–	–	–	–	14,252,569.24
Jiangsu Province	–	55,495,351.03	–	–	931,013.26	–	56,426,364.29
Inner Mongolia Autonomous Region	–	140,485,008.32	–	–	516,938.94	–	141,001,947.26
Guangxi Zhuang Autonomous Region	–	119,989,633.61	–	–	13,222,391.46	247,251.88	133,459,276.95
Shandong Province	–	51,386,693.17	–	–	998,619.10	–	52,385,312.27
Zhejiang Province	–	34,617,468.66	–	–	2,324,135.42	–	36,941,604.08
Sichuan Province	–	30,298,135.58	–	–	4,540,230.81	–	34,838,366.39
Jiangxi Province	–	71,517,446.06	–	–	423,343.62	135,312.30	72,076,101.98
Hebei Province	–	21,865,339.16	–	–	249,238.15	–	22,114,577.31
Xinjiang Uygur Autonomous Region	–	131,022,909.11	–	–	–	–	131,022,909.11
Henan Province	–	13,687,228.06	–	–	–	–	13,687,228.06
Ningxia Hui Autonomous Region	–	22,643,648.97	–	–	–	–	22,643,648.97
Anhui Province	–	12,926,386.38	–	–	4,662,776.27	–	17,589,162.65
Total	**2,613,870,354.46**	**1,223,216,827.79**	**405,522,216.35**	**51,014,641.47**	**1,792,554,506.56**	**238,220,367.96**	**6,324,398,914.59**

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of cost recognition							
Cost recognized at a point in time	2,613,870,354.46	1,191,828,277.68	–		–	173,361,274.14	3,979,059,906.28
Cost recognized over time	–	31,388,550.11	405,522,216.35		1,792,554,506.56	60,070,006.70	2,289,535,279.72
Total	**2,613,870,354.46**	**1,223,216,827.79**	**405,522,216.35**		**1,792,554,506.56**	**233,431,280.84**	**6,268,595,186.00**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(4) Descriptions on performance obligations

The main businesses of the Group are toll highways, environmental protection, etc. Please refer to Note III, 30 for details.

There is no significant financing component in the revenue contract of the Group.

(5) Descriptions on allocation to remaining performance obligations

At the end of the year, the amount of contract liabilities corresponding to the performance obligations for which the Group has entered into a contract but which has not been fulfilled or completely fulfilled was RMB54,544,169.64, and the revenue will be recognized when the customer obtains control of the product.

49. Taxes and surcharges

RMB

Item	2025	2024
Property tax	**31,105,409.17**	24,678,591.03
City maintenance and construction tax	**13,252,622.16**	15,387,455.53
Educational surcharge	**9,880,089.43**	11,315,104.98
Land use tax	**4,806,178.52**	3,840,183.99
Stamp tax	**2,548,580.16**	2,407,138.95
Others	**539,884.55**	626,603.01
Total	**62,132,763.99**	58,255,077.49

50. Selling expenses

RMB

Item	2025	2024
Salaries and wages	**5,898,097.38**	7,203,586.47
Advertising expenses and business promotion expenses	**1,133,303.41**	1,592,644.44
Travel fees	**531,403.69**	809,938.54
Depreciation and amortization	**72,249.69**	339,094.18
Others	**1,542,462.89**	2,750,355.69
Total	**9,177,517.06**	12,695,619.32

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. General and administrative expenses

RMB

Item	2025	2024
Salaries and wages	**271,883,403.62**	254,952,672.57
Depreciation and amortization	**86,055,524.52**	115,529,850.69
Legal and advisory fees	**20,610,149.52**	18,678,087.66
Office building management fees	**12,994,120.41**	13,115,852.46
Office and communication charges	**11,112,941.01**	11,658,500.22
Audit fees	**9,259,138.08**	12,456,775.80
Stock exchange fees	**5,543,451.01**	4,692,792.22
Travel fees	**2,356,008.83**	3,626,658.39
Vehicle fees	**1,557,643.05**	2,324,955.39
Business entertainment fees	**1,293,754.20**	2,885,960.62
Others	**13,630,120.15**	20,141,794.94
Total	**436,296,254.40**	460,063,900.96

52. Research and development expenses

RMB

Item	2025	2024
Labor cost	**29,041,304.56**	16,680,973.25
Direct consumables	**3,254,746.29**	9,071,567.26
Depreciation and amortization	**1,994,142.70**	2,652,362.32
Technical service fee	**495,592.46**	714,396.18
Others	**9,909,264.19**	3,811,299.53
Total	**44,695,050.20**	32,930,598.54

The research and development expenses include costs of materials and labor, depreciation and amortization of R&D machines used in the development of patents. The research and development expenses in this year mainly include the expenses on research and development of green recycling technology for waste batteries of Qiantai Company, the expenses on research and development of various environmental protection devices & systems and process technologies of Lisai Environmental Protection, and the expenses on research and development of digital operation & maintenance and intelligent control systems for expressways of Shenzhen Expressway Operation Development Co., Ltd. ("Operation Development Company").

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Financial expenses

RMB

Item	2025	2024
Interest expenses	**859,367,046.63**	1,069,759,700.56
Including: Interest expenses on borrowings	**448,858,525.12**	745,592,322.87
Interest expenses on bonds payable	**374,315,046.57**	282,824,132.66
Unrecognized financing expenses for compensation related to newly-built toll stations on Longda Expressway and Three Expressways	**17,139,419.28**	22,229,625.48
Interest expenses on provisions	**17,743,769.05**	11,306,137.43
Interest expenses on long-term payables	**–**	4,042,899.98
Interest expenses on lease liabilities	**1,310,286.61**	3,436,415.47
Interest expenses on notes discounting	**–**	328,166.67
Less: Interest income	**72,337,810.21**	75,209,516.16
Less: Interest capitalized	**(977,577.98)**	9,547,541.77
Including: Interest expenses capitalized	**–**	9,943,147.55
Interest income capitalized	**977,577.98**	395,605.78
Exchange (gains) losses	**(53,256,328.58)**	46,177,327.52
Others	**7,840,335.41**	7,059,462.60
Total	**742,590,821.23**	1,038,239,432.75

In 2025, the Group had no capitalized borrowing costs.

Details of interest income are listed as follows:

RMB

Item	2025	2024
Interest income recognized for compensation related to toll exemptions	**32,037,828.30**	42,833,128.19
Interest on deposits	**40,299,981.91**	32,376,387.97
Less: Interest income capitalized	**977,577.98**	395,605.78
Total	**71,360,232.23**	74,813,910.38

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Other income

RMB

Categories by nature	2025	2024
VAT immediate refund upon payment	**16,027,595.81**	9,075,397.45
Government financial grants for Shenchang Company	**9,706,300.00**	4,788,000.00
Central government subsidy for cancellation of provincial expressway toll station project	**6,232,553.55**	6,232,553.55
Government grants for safety and resilience enhancement project of Qinglian Expressway	**17,183,320.43**	–
Government economic grants for Bioland Company	**2,247,305.22**	1,005,081.07
Tax refund and additional deduction of VAT	**2,023,003.21**	1,502,697.84
Government financial grants for Guizhou Land	**29,178.29**	11,060.95
Others	**5,097,631.20**	843,253.38
Total	**58,546,887.71**	23,458,044.24

55. Investment income

RMB

Item	2025	2024
Income from long-term equity investments under the equity method (Note V, 13)	**737,146,614.81**	851,136,509.69
Investment income from other non-current financial assets during the holding period	**13,031,972.04**	19,344,469.45
Investment income from financial products	**13,881,881.25**	5,308,906.85
Investment (loss) income from disposal of long-term equity investments	**(1,535,393.96)**	149,336,186.05
Total	**762,525,074.14**	1,025,126,072.04

56. Gains from changes in fair value

RMB

Item	2025	2024
Financial assets or liabilities at FVTPL	**94,015,371.64**	2,641,777.05
Including: Other non-current financial assets (Note V, 14)	**139,320,357.57**	75,842,081.18
Structured deposits	**36,160,698.67**	–
Compensation for valuation adjustment mechanism	**(2,562,322.87)**	(14,493,468.61)
Obligation to pay the difference	**(78,903,361.73)**	(58,706,835.52)
Total	**94,015,371.64**	2,641,777.05

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Credit impairment gains (losses)

RMB

Item	2025	2024
Impairment losses of accounts receivable (Note V, 4(3))	**(43,537,737.68)**	(93,961,429.90)
Impairment losses of other receivables (Note V, 6.3(4))	**(2,771,363.03)**	(86,671,159.08)
Impairment losses of long-term receivables (Note V, 12(3))	**(37,599,915.24)**	(19,139,700.10)
Total	**(83,909,015.95)**	(199,772,289.08)

58. Gains (losses) on impairment of assets

RMB

Item	2025	2024
Impairment losses of goodwill (Note V, 20(2))	**(202,893,131.20)**	–
Impairment losses of long-term equity investments (Note V, 13(2))	**(171,000,000.00)**	–
Impairment losses of intangible assets (Note V, 19(1))	**(122,608,799.60)**	(165,462,267.39)
Losses on decline in value of inventories (Note V, 7(2))	**(95,430,297.75)**	(164,472,457.22)
Impairment losses of contract assets (Note V, 8(4))	**(61,106,579.23)**	
Impairment losses of fixed assets (Note V, 16(1))	**(8,672,566.37)**	(42,373,470.19)
Impairment losses of construction in progress	**–**	(11,966,069.00)
Total	**(661,711,374.15)**	(384,274,263.80)

59. Non-operating income

RMB

Item	2025	2024	Amount recognized in non-recurring profit or loss for the period
Government grants not related to daily activities	**119,251.85**	172,620.11	119,251.85
Others	**26,920,484.45**	11,018,593.51	26,920,484.45
Total	**27,039,736.30**	11,191,213.62	27,039,736.30

(1) Government grants not related to daily activities are as follows:

RMB

Item	2025	2024	Related to assets/income
Government incentives	**119,251.85**	172,620.11	Related to income

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Non-operating expenses

RMB

Item	2025	2024	Amount recognized in non-recurring profit or loss for the period
Provision for liquidated damages and compensation by subsidiaries	**59,622,770.66**	32,660,790.18	59,622,770.66
Donations	**3,220,736.46**	–	3,220,736.46
Losses on damage or retirement of non-current assets	**331,493.20**	409,292.82	331,493.20
Others	**2,075,809.38**	14,811,715.18	2,075,809.38
Total	**65,250,809.70**	47,881,798.18	65,250,809.70

61. Income tax expenses

(1) Classification of income tax expenses

RMB

Item	2025	2024
Current tax expenses	**487,224,057.89**	503,616,461.88
Deferred tax expenses	**(25,985,775.60)**	36,597,014.38
Total	**461,238,282.29**	540,213,476.26

(2) Reconciliation of income tax expenses to the accounting profit is as follows

RMB

Item	2025	2024
Total profit	**1,646,883,407.03**	1,758,426,412.29
Income tax expenses calculated at the statutory/applicable tax rate	**411,720,851.76**	439,606,603.07
Effect of different tax rates applicable to certain subsidiaries	**(112,777,516.94)**	(80,785,564.64)
Effect of income not subject to tax	**(217,390,067.20)**	(196,922,224.82)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the year	**343,058,006.11**	364,897,516.90
Effect of adjusting income tax of the previous year	**35,297,403.88**	22,955,284.85
Effect of costs, expenses and losses not deductible	**14,918,877.16**	1,027,395.02
Effect of using previously unrecognized deductible losses and deductible temporary differences	**(13,589,272.48)**	(10,565,534.12)
Income tax expenses	**461,238,282.29**	540,213,476.26

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows

(1) Cash relating to operating activities

Other cash received relating to operating activities

RMB

Item	2025	2024
Refund of advance payment for purchases received	**127,489,049.80**	–
Project advances received	**100,000,000.00**	–
Government grants received	**71,822,339.76**	8,719,583.50
Security deposits received and recovered	**65,112,460.56**	71,182,607.84
Interest income	**32,056,113.77**	17,381,912.85
Funds temporarily received	**8,803,447.98**	23,734,543.93
Others	**50,311,983.09**	72,506,083.66
Total	**455,595,394.96**	193,524,731.78

Other cash payments relating to operating activities

RMB

Item	2025	2024
Expenditures	**118,443,481.29**	65,360,467.24
Security deposits paid and refunded	**60,916,418.16**	122,680,531.75
Intermediary service fee	**37,374,951.17**	30,311,536.87
Withholding payments paid	**30,868,207.52**	8,741,461.04
Project funds paid	**17,713,684.04**	57,354,061.54
Others	**91,972,355.42**	192,482,182.71
Total	**357,289,097.60**	476,930,241.15

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows (Continued)

(2) Cash relating to investing activities

Cash received relating to significant investing activities

RMB

Item	2025	2024
Structured deposits and certificates of time deposits recovered during the year	**3,537,217,038.05**	1,673,209,794.52
Equity transfer fund for Hunan Yichang Expressway Development Co., Ltd.	**–**	1,397,449,490.52
Cash dividend distributions from the investee received	**693,618,650.86**	626,740,222.80
Total	**4,230,835,688.91**	3,697,399,507.84

Cash payments relating to significant investing activities

RMB

Item	2025	2024
Increase in structured deposits and certificates of time deposits for the year	**6,020,000,000.00**	1,510,000,000.00
Capital expenditures on Airport-Heao Expressway reconstruction and expansion project	**1,469,525,512.16**	1,464,024,740.96
Capital expenditures on Outer Ring projects	**1,383,200,069.75**	706,042,016.10
Increase in long-term equity investments	**4,912,500.00**	819,000,000.00
Capital expenditures on Coastal Expressway Phase II project	**6,378,974.18**	503,170,853.92
Total	**8,884,017,056.09**	5,002,237,610.98

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows (Continued)

(2) Cash relating to investing activities (Continued)

Other cash received relating to investing activities

RMB

Item	2025	2024
Recovery of advances for shareholders	–	450,000,000.00
Interest income	**9,358,751.44**	6,564,515.41
Net cash payments for acquisitions of subsidiaries and other business units	–	5,438,304.51
Others	**4,500,095.00**	1,449.98
Total	**13,858,846.44**	462,004,269.90

Other cash payments relating to investing activities

RMB

Item	2025	2024
Payment for difference make-up obligation	–	13,113,423.39
Others	**11,824,993.72**	–
Total	**11,824,993.72**	13,113,423.39

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows (Continued)

(3) Cash relating to financing activities

Other cash received relating to financing activities

RMB

Item	2025	2024
Funds on discounted bills received	–	19,671,833.33
Security deposits for loans	–	13,602.74
Total	–	19,685,436.07

Other cash payments relating to financing activities

RMB

Item	2025	2024
Repayment of principal of perpetual bonds	**4,000,000,000.00**	–
Brokerage fees and taxes on private placement of A-shares	**23,061,287.45**	–
Repayment of principal and interest on lease liabilities	**21,691,308.09**	19,985,501.03
Payment of interest on USD bonds and withholding taxes on annual trust fees	**6,694,199.01**	6,630,075.95
Expenses for issuing perpetual bonds	**3,850,000.00**	–
Brokerage fees for issuing other bonds	**3,698,609.89**	3,864,463.33
Repayment of borrowings from United Land Company	–	437,010,000.00
Repayment of capital contributions from minority shareholders	–	30,409,109.58
Others	**84,170.82**	4,512,414.04
Total	**4,059,079,575.26**	502,411,563.93

Changes in liabilities arising from financing activities

RMB

Item	Opening balance	Additions in cash changes for the year	Reductions in cash changes for the year	Non-cash changes, net	Closing balance
Short-term borrowings	2,573,849,184.49	9,735,932,538.56	8,975,852,532.39	22,162,197.41	**3,356,091,388.07**
Other current liabilities - Ultra-short-term financing bonds	3,016,271,998.43	1,500,000,000.00	3,026,506,390.71	27,376,843.98	**1,517,142,451.70**
Long-term borrowings (including long-term borrowings due within one year)	16,305,843,718.55	1,547,611,635.22	5,582,753,492.80	358,117,303.19	**12,628,819,164.16**
Bonds payable (including bonds payable due within one year)	10,329,097,631.09	3,800,000,000.00	268,735,847.63	299,600,480.75	**14,159,962,264.21**
Lease liabilities (including lease liabilities due within one year)	31,703,802.65	–	21,691,308.09	19,551,592.66	**29,564,087.22**
Long-term payables (including long-term payables due within one year)	387,586,715.85	–	–	–	**387,586,715.85**
Dividends payable	85,013,326.10	–	1,101,305,224.08	1,078,785,092.40	**62,493,194.42**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB

Supplementary information	2025	2024
1. Reconciliation from net profit to cash flows from operating activities:		
Net profit	**1,185,645,124.74**	1,218,212,936.03
Add: Credit impairment losses	**83,909,015.95**	199,772,289.08
Impairment losses of assets	**661,711,374.15**	384,274,263.80
Depreciation of fixed assets	**564,159,606.84**	504,360,350.08
Depreciation of right-of-use assets	**17,500,679.65**	27,686,009.07
Depreciation of investment properties	**1,337,278.40**	1,327,991.21
Amortization of intangible assets	**1,881,556,352.38**	1,763,428,989.72
Amortization of long-term prepaid expenses	**9,171,472.11**	13,591,227.08
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	**(3,033,966.43)**	(8,829,712.78)
Losses on damage and retirement of non-current assets	**331,493.20**	409,292.82
Losses (gains) on changes in fair value	**(94,015,371.64)**	(2,641,777.05)
Financial expenses	**774,646,935.00**	1,055,621,345.60
Investment losses (income)	**(762,525,074.14)**	(1,025,126,072.04)
Decrease (increase) in deferred tax assets	**23,911,338.81**	140,683,647.41
Increase (decrease) in deferred tax liabilities	**(49,897,114.41)**	(104,086,633.03)
Decrease (increase) in inventories	**165,654,355.23**	97,562,645.49
Decrease (increase) in operating receivables	**394,313,880.06**	(700,573,834.19)
Increase (decrease) in operating payables	**(230,716,294.72)**	151,633,512.84
Net cash flows from operating activities	**4,623,661,085.18**	3,717,306,471.14
2. Net changes in cash and cash equivalents:		
Cash and cash equivalents at the end of the year	**4,745,083,905.55**	2,670,493,652.96
Less: Cash and cash equivalents at the beginning of the year	**2,670,493,652.96**	1,955,220,227.32
Net increase (decrease) in cash and cash equivalents	**2,074,590,252.59**	715,273,425.64

(2) Composition of cash and cash equivalents

RMB

Item	31 December 2025	31 December 2024
I. Cash	**4,745,083,905.55**	2,670,493,652.96
Including: Cash on hand	**5,755,304.72**	6,291,155.12
Cash at banks that can be withdrawn on demand	**4,739,328,600.83**	2,664,202,497.84
II. Cash and cash equivalents at the end of the year	**4,745,083,905.55**	2,670,493,652.96
Add: Restricted cash and cash equivalents held by the Company and subsidiaries of the Group (Note V, 1)	**407,072,375.92**	238,088,357.47
Add: Interest on bank deposits	**766,955.68**	–
III. Cash at banks and on hand	**5,152,923,237.15**	2,908,582,010.43

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Monetary items denominated in foreign currencies

(1) Monetary items denominated in foreign currencies

Item	31 December 2025	Exchange rate	Equivalent to RMB
Cash at banks and on hand			
HKD	**509,990,506.72**	0.90	460,633,625.48
USD	**133,777.37**	7.03	940,294.38
EUR	**12.00**	8.24	98.83
FRF	**11.70**	8.85	103.56
ESP	**446.00**	0.05	20.88
JPY	**379.94**	0.04	17.02
Other receivables			
HKD	**380,705.06**	0.90	343,860.42
Short-term borrowings			
HKD	**1,110,269,949.76**	0.90	997,905,756.76
Transactional financial liabilities			
HKD	**299,581,600.00**	0.90	270,588,092.75
Employee benefits payable			
HKD	**1,263,788.85**	0.90	1,141,479.37
Other payables			
HKD	**51,567.67**	0.90	46,576.95
Non-current liabilities due within one year			
HKD	**2,457,742.79**	0.90	2,209,008.43
USD	**302,522,916.59**	7.03	2,126,373,076.13
Lease liabilities			
HKD	**5,040,495.94**	0.90	4,552,676.75

(2) Overseas operating entities

The significant overseas operating entities of the Group include Mei Wah Company, SIHICH and Bay Area Development, among which Mei Wah Company, an investment and financing company, chooses HKD as its functional currency. SIHICH is an investment company which chooses HKD as its functional currency, and its principal subsidiaries and joint ventures determine RMB as their functional currency on the basis of the primary economic environment in which they operate. Bay Area Development is an investment company whose investment entities have their principal operating activities in Chinese Mainland and choose RMB as their functional currency.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Leases

(1) As a lessee

The Group has lease contracts for various items of buildings, vehicles, machinery and other equipment used in the operating process. The lease term for buildings, machinery and equipment is generally 1 to 9 years, while that for vehicles and other equipment is generally 1 to 3 years. The above right-of-use assets cannot be used as mortgages and guarantees for borrowings.

Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach:

Short-term lease expenses and expenses on leases of low-value assets that are accounted for using simplified approach and included in profit or loss for the period amounted to RMB33,516,684.88 (2024: RMB42,272,692.74) and RMB nil (2024: RMB nil), respectively.

Total cash outflows relating to leases for the year amounted to RMB55,207,992.97 (2024: RMB62,258,193.77).

(2) As a lessor

Operating leases

RMB

Item	Lease income	Including: Income related to variable lease payments that are not included in lease receipts
Parking spaces, workshops, staff dormitory buildings and others	**14,878,916.35**	–

The Group leases out some parking spaces, workshops, staff dormitory buildings and others for indefinite lease term and lease term of 1 to 9 years, forming operating leases.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Leases (Continued)

(2) As a lessor (Continued)

Operating leases (Continued)

Income related to operating leases for the year amounted to RMB14,977,998.92 (2024: RMB29,094,265.24), of which income related to variable lease payments that are not included in lease receipts was RMB nil (2024: RMB nil).

RMB

	31 December 2025	31 December 2024
1st year subsequent to the balance sheet date	**17,821,787.69**	14,094,025.59
2nd year subsequent to the balance sheet date	**15,214,984.04**	9,608,820.97
3rd year subsequent to the balance sheet date	**13,818,860.14**	8,785,873.74
4th year subsequent to the balance sheet date	**6,508,606.14**	7,236,723.18
5th year subsequent to the balance sheet date	**3,320,154.30**	3,340,284.00
Subsequent years	**9,435,794.34**	12,581,059.12
Total undiscounted lease receipts	**66,120,186.65**	55,646,786.60

Finance lease

RMB

Item	Gains/losses on sales	Financing income	Income related to variable lease payments that are not included in net lease investments
Direct leases	–	59,281,018.26	–

The Group, as a lessor, entered into lease contracts on fixed assets with customers, with lease term ranging from 2 to 13 years. The contracts do not contain options for renewal or termination.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Leases (Continued)

(2) As a lessor (Continued)

Reconciliation of undiscounted lease receipts to net lease investments

RMB

	Undiscounted lease receipts	
	31 December 2025	31 December 2024
Total undiscounted lease receipts	1,472,213,365.22	1,621,885,091.11
Unguaranteed residual value	–	–
Total lease investments	1,472,213,365.22	1,621,885,091.11
Less: Unrealized financing income	289,211,094.60	362,338,166.42
Net lease investments	1,183,002,270.62	1,259,546,924.69
Including: Finance lease receivables due within one year	218,840,331.79	172,950,515.75
Finance lease receivables due after one year	964,161,938.83	1,086,596,408.94

Undiscounted lease receipts for the next five years

RMB

	Undiscounted lease receipts per year	
Item	31 December 2025	31 December 2024
The first year	**266,726,840.14**	231,655,335.50
The second year	**223,267,184.91**	241,195,347.92
The third year	**188,068,915.55**	205,023,342.61
The fourth year	**168,321,806.33**	176,242,669.37
The fifth year	**156,655,413.92**	157,638,095.67
Total undiscounted lease receipts after five years	**469,173,204.37**	610,130,300.04

Gains relating to finance lease are as follows:

RMB

	2025	2024
Financing income from net lease investments	**59,281,018.26**	68,593,236.63
Total	**59,281,018.26**	68,593,236.63

VI. CHANGES IN SCOPE OF CONSOLIDATION

1. Changes in scope of consolidation for other reasons

Deregistration of subsidiaries for the year

Harbin Nengchuang Fenglian New Energy Co., Ltd. and Shangzhi Nanfeng New Energy Technology Co., Ltd., subsidiaries of the Group, have been deregistered, the taxation and business deregistration procedures of which were completed on 3 March 2025 and 27 May 2025, respectively.

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Outer Ring Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	8,611,759,125.00	100.00	–	Incorporation
Expressway Investment	Guizhou Province, PRC	Shenzhen, Guangdong Province, PRC	Investment	1,000,000,000.00	100.00	–	Incorporation
Guishen Company	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Infrastructure construction	500,000,000.00	–	70.00	Incorporation
Guizhou Land Company	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Land development	158,000,000.00	–	100.00	Incorporation
Property Management Company	Longli County, Guizhou Province, PRC	Shenzhen, Guangdong Province, PRC	Property management	1,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Environment Co., Ltd. ("Environment Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental projects and advisory	6,550,000,000.00	100.00	–	Incorporation
JEL Company	Hubei Province, PRC	Cayman Islands	Investment holding	USD30,000,000.00	–	100.00	Business combinations under common control
Hubei Magerk Expressway Management Co., Ltd.	Hubei Province, PRC	Hubei Province, PRC	Toll road operation	USD200,000.00	–	100.00	Business combinations under common control
Qinglian Company	Qingyuan, Guangdong Province, PRC	Qingyuan, Guangdong Province, PRC	Toll road operation	3,361,000,000.00	51.37	25.00	Business combinations not under common control
Meiguan Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	332,400,000.00	100.00	–	Business combinations not under common control
Mei Wah Company	Hubei Province and Guangdong Province, PRC	Hong Kong, PRC	Investment holding	HKD 10,970,381,300.00	100.00	–	Business combinations not under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Maxprofit Company	Guangdong Province, PRC	British Virgin Islands	Investment holding	USD85,360,000.00	–	100.00	Business combinations not under common control
Fameluxe Company	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD10,000.00	–	100.00	Business combinations not under common control
Operation Development Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	60,000,000.00	98.70	1.30	Incorporation
Qinglong Company (Note 1)	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	324,000,000.00	40.00	10.00	Business combinations not under common control
Shenchang Company	Changsha, Hunan Province, PRC	Changsha, Hunan Province, PRC	Toll road operation	200,000,000.00	51.00	–	Business combinations not under common control
Shenzhen Expressway Construction and Development Co., Ltd. ("Construction and Development Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Infrastructure construction	30,000,000.00	100.00	–	Incorporation
Shenzhen Expressway Infrastructure Environment Protection Development Co., Ltd. ("Infrastructure Environment Protection Development Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Infrastructure and environment protection business	500,000,000.00	80.00	20.00	Incorporation
Shenzhen Express Private Equity Industry Investment Fund Management Co., Ltd. ("Fund Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Capital market services	19,607,800.00	51.00	–	Incorporation
Coastal Expressway	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	5,714,285,714.00	49.00	51.00	Business combinations under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Guishen Expressway Investment	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Land development	1,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Yijia Apartment Management Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Apartment leases and management	10,000,000.00	–	60.00	Incorporation
Yefengrui Land	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Land development	1,000,000.00	–	100.00	Incorporation
Nanjing Wind Power	Nanjing, Jiangsu Province, PRC	Nanjing, Jiangsu Province, PRC	Manufacturing	357,142,900.00	–	100.00	Business combinations not under common control
Baotou Jinling Wind Power Technology Co., Ltd.	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Manufacturing	20,000,000.00	–	100.00	Business combinations not under common control
Baotou Nanfeng	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	632,800,000.00	0.95	99.05	Business combinations not under common control
Baotou Lingxiang	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	148,100,000.00	–	100.00	Business combinations not under common control
Nanchuan Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	128,200,000.00	–	100.00	Business combinations not under common control
Ningyuan Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	179,000,000.00	–	100.00	Business combinations not under common control
Ningxiang Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	129,500,000.00	–	100.00	Business combinations not under common control
Ningfeng Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	126,000,000.00	–	100.00	Business combinations not under common control
Bioland Company (Note 2)	Shenzhen, Guangdong Province, PRC	Zhengzhou, Henan Province, PRC	Environment and facility services	505,439,108.00	–	92.73	Business combinations not under common control
Guangxi Bioland	Nanning, Guangxi Zhuang Autonomous Region, PRC	Nanning, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	123,000,000.00	–	100.00	Business combinations not under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Dezhou Bioland Renewable Resources Co., Ltd.	Dezhou, Shandong Province, PRC	Dezhou, Shandong Province, PRC	Kitchen waste disposal	50,000,000.00	–	100.00	Business combinations not under common control
Guiyang Beier Bioland	Guiyang, Guizhou Province, PRC	Guiyang, Guizhou Province, PRC	Kitchen waste disposal	110,923,700.00	–	100.00	Business combinations not under common control
Taizhou Bioland	Taizhou, Jiangsu Province, PRC	Taizhou, Jiangsu Province, PRC	Kitchen waste disposal	68,000,000.00	–	100.00	Business combinations not under common control
Dezhou Zhonghe	Dezhou, Shandong Province, PRC	Dezhou, Shandong Province, PRC	Equipment manufacturing	30,000,000.00	–	100.00	Business combinations not under common control
Kunshan Environmental Protection	Kunshan, Jiangsu Province, PRC	Kunshan, Jiangsu Province, PRC	Kitchen waste disposal	25,000,000.00	–	95.00	Business combinations not under common control
Longyou Bioland	Quzhou, Zhejiang Province, PRC	Quzhou, Zhejiang Province, PRC	Kitchen waste disposal	10,500,000.00	–	100.00	Business combinations not under common control
Shenzhen Expressway Bioland Environmental Protection Equipment (Langfang) Co., Ltd.	Langfang, Hebei Province, PRC	Langfang, Hebei Province, PRC	Equipment manufacturing	30,000,000.00	–	100.00	Business combinations not under common control
Shangrao Bioland	Shangrao, Jiangxi Province, PRC	Shangrao, Jiangxi Province, PRC	Kitchen waste disposal	25,000,000.00	–	100.00	Business combinations not under common control
Huangshi Environmental Investment Bioland Renewable Energy Co., Ltd.	Huangshi, Hubei Province, PRC	Huangshi, Hubei Province, PRC	Kitchen waste disposal	24,274,980.00	–	70.00	Business combinations not under common control
Pingyu Beier Environmental Technology Co., Ltd.	Zhumadian, Henan Province, PRC	Zhumadian, Henan Province, PRC	Kitchen waste disposal	500,000.00	–	100.00	Business combinations not under common control

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VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Handan Bioland	Handan, Hebei Province, PRC	Handan, Hebei Province, PRC	Kitchen waste disposal	50,000,000.00	–	90.00	Business combinations not under common control
Guilin Bioland	Guilin, Guangxi Zhuang Autonomous Region, PRC	Guilin, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	54,600,000.00	–	100.00	Business combinations not under common control
Xinyu Bioland	Xinyu, Jiangxi Province, PRC	Xinyu, Jiangxi Province, PRC	Kitchen waste disposal	23,940,000.00	–	100.00	Business combinations not under common control
Zhuji Bioland	Zhuji, Zhejiang Province, PRC	Zhuji, Zhejiang Province, PRC	Kitchen waste disposal	100,000,000.00	–	90.00	Business combinations not under common control
Fuzhou Bioland	Fuzhou, Jiangxi Province, PRC	Fuzhou, Jiangxi Province, PRC	Kitchen waste disposal	24,000,000.00	–	100.00	Business combinations not under common control
Shenlu Environmental Protection	Nanjing, Jiangsu Province, PRC	Nanjing, Jiangsu Province, PRC	Environment and facility services	100,000,000.00	–	100.00	Business combinations not under common control
Sichuan Lansheng	Zigong, Sichuan Province, PRC	Zigong, Sichuan Province, PRC	Kitchen waste disposal	45,039,000.00	–	84.57	Business combinations not under common control
Logistics Finance Company	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 1.00	–	100.00	Business combinations under common control
Financial Leasing Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Financial leasing and commercial factoring	902,500,000.00	72.30	27.70	Business combinations under common control
Shenzhen High Speed Engineering Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road construction	40,500,000.00	–	60.00	Business combinations not under common control
New Energy Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Wind power	2,619,441,000.00	100.00	–	Incorporation
Inner Mongolia Chenghuan Bioland	Hohhot, Inner Mongolia Autonomous Region, PRC	Hohhot, Inner Mongolia Autonomous Region, PRC	Environment and facility services	43,360,000.00	–	51.00	Incorporation

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Bioland Environmental Protection Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental and ecological monitoring, agricultural science research	10,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Gao Le Health Care Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	30,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Construction Technology Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Construction and Engineering	40,000,000.00	–	51.00	Incorporation
Guangdong New Energy	Liannan Yao Autonomous County, Guangdong Province, PRC	Liannan Yao Autonomous County, Guangdong Province, PRC	Investment holding	1,956,550,000.00	–	100.00	Incorporation
Qiantai Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Comprehensive utilization of resources	307,692,300.00	–	63.33	Business combinations not under common control
Shenzhen Longda Expressway Co., Ltd. ("Longda Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	50,000,000.00	89.93	–	Business combinations under common control
Qianxin Company	Mulei County, Changji Prefecture, Xinjiang, PRC	Mulei County, Changji Prefecture, Xinjiang, PRC	Wind power	181,120,000.00	–	100.00	Business combinations not under common control
Qianzhi Company	Mulei County, Changji Prefecture, Xinjiang, PRC	Mulei County, Changji Prefecture, Xinjiang, PRC	Wind power	479,183,100.00	–	100.00	Business combinations not under common control
Qianhui Company	Mulei County, Changji Prefecture, Xinjiang, PRC	Mulei County, Changji Prefecture, Xinjiang, PRC	Wind power	264,376,900.00	–	100.00	Business combinations not under common control
Guangming Environment Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Kitchen waste disposal	200,000,000.00	100.00	–	Incorporation
Shenzhen High Speed Asphalt Technology Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Asphalt materials	30,000,000.00	–	55.00	Incorporation

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VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Shareholding proportion (%) Indirect	Acquired through
Beihai Zhonglan	Beihai, Guangxi Zhuang Autonomous Region, PRC	Beihai, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	16,390,000.00	–	90.00	Incorporation
Yongcheng Zhuneng	Yongcheng, Shangqiu, Henan Province, PRC	Yongcheng, Shangqiu, Henan Province, PRC	Wind power	102,450,000.00	–	100.00	Business combinations not under common control
Shenzhen Zhuneng New Energy Technology Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Investment holding	100,000.00	–	100.00	Incorporation
Shanghai Zhuneng New Energy Technology Co., Ltd.	Shanghai, PRC	Shanghai, PRC	Investment holding	2,450,000.00	–	100.00	Business combinations not under common control
Ningxia Zhongwei	Zhongwei, Ningxia Hui Autonomous Region, PRC	Zhongwei, Ningxia Hui Autonomous Region, PRC	Wind power	175,920,236.88	–	100.00	Business combinations not under common control
Chuzhou Bioland	Chuzhou, Anhui Province, PRC	Chuzhou, Anhui Province, PRC	Kitchen waste disposal	25,492,400.00	–	89.10	Incorporation
Shenzhen Expressway Business Co., Ltd. ("Shenzhen Expressway Business")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Business services	8,000,000.00	100.00	–	Incorporation
Shengao Lekang	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	15,000,000.00	–	80.00	Incorporation
SIHICH	Shenzhen, Guangdong Province, PRC	British Virgin Islands	Investment holding	USD 641,075,642.00	–	100.00	Business combinations under common control
Bay Area Development	Hong Kong, PRC	Cayman Islands	Investment holding	HKD 1,000,000,000.00	–	71.83	Business combinations under common control
Wilberforce	Hong Kong, PRC	British Virgin Islands	Investment holding	USD 50,000.00	–	100.00	Business combinations under common control
Jiehao	Hong Kong, PRC	British Virgin Islands	Investment holding	USD 50,000.00	–	100.00	Business combinations under common control
Bay Area Management	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 1.00	–	100.00	Business combinations under common control
Bay Area Service	Hong Kong, PRC	Hong Kong, PRC	Office service	HKD 2.00	–	100.00	Business combinations under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Bay Area Financing	Hong Kong, PRC	Hong Kong, PRC	Loan financing	HKD 1.00	–	100.00	Business combinations under common control
Hopewell Guangzhou-Zhuhai Expressway	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 2.00	–	100.00	Business combinations under common control
KINGNICE	Hong Kong, PRC	British Virgin Islands	Investment holding	USD 50,000.00	–	97.50	Business combinations under common control
Hopewell China Development	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 2.00	–	100.00	Business combinations under common control
Shenzhen Bay Infrastructure (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Investment holding	4,498,000,000.00	–	100.00	Business combinations under common control
Expressway Digital Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Information technology service	30,000,000.00	51.00	–	Incorporation
Lisai Environmental Protection	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental technology service	17,441,900.00	–	70.00	Business combinations not under common control
Shaoyang Shengao Environmental	Shaoyang, Hunan Province, PRC	Shaoyang, Hunan Province, PRC	Kitchen waste disposal	100,000,000.00	–	100.00	Incorporation
Guangdong Qizhen Toll Road Construction Co., Ltd.	Foshan, Guangdong Province, PRC	Foshan, Guangdong Province, PRC	Toll road construction	100,000,000.00	–	100.00	Acquisition
Shenzhen Jingmao Infrastructure Operation and Maintenance Co., Ltd.	Guangzhou, Guangdong Province, PRC	Guangzhou, Guangdong Province, PRC	Construction and engineering	10,000,000.00	–	100.00	Acquisition
Guizhou Ziyun Jinshen New Energy Co., Ltd.	Anshun, Guizhou Province, PRC	Anshun, Guizhou Province, PRC	Production and supply of electricity and heat	50,000,000.00	–	100.00	Incorporation
Xingren Yuansheng New Energy Co., Ltd.	Xingren, Guizhou Province, PRC	Xingren, Guizhou Province, PRC	Production and supply of electricity and heat	2,000,000.00	–	100.00	Incorporation
Duyun Jinxin New Energy Co., Ltd.	Duyun, Guizhou Province, PRC	Duyun, Guizhou Province, PRC	Production and supply of electricity and heat	1,000,000.00	–	100.00	Incorporation
Shenzhen Bay City Investment (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Real estate	1,300,000,000.00	–	100.00	Incorporation

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(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Jinshen New Energy	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Production and supply of electricity and heat	1,000,000,000.00	–	65.00	Incorporation
Shengneng Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Manufacturing of electrical machinery and equipment	15,000,000.00	–	100.00	Incorporation
Pingshan Jishen New Energy Technology Co., Ltd.	Shijiazhuang, Hebei Province, PRC	Shijiazhuang, Hebei Province, PRC	Science and technology promotion and application services	110,000,000.00	–	100.00	Incorporation
Hunan Yichang Expressway Operation & Management Co., Ltd. ("Yichang Operation & Management")	Changde, Hunan Province, PRC	Changde, Hunan Province, PRC	Toll road operation	5,000,000.00	100.00	–	Incorporation
Ya'an Bioland	Ya'an, Sichuan Province, PRC	Ya'an, Sichuan Province, PRC	Ecological protection and environmental governance	25,000,000.00	–	100.00	Incorporation
Zhangshu Gaochuan New Energy Co., Ltd.	Zhangshu, Jiangxi Province, PRC	Zhangshu, Jiangxi Province, PRC	Wind power	1,000,000.00	–	100.00	Business combinations not under common control
Guangming Fengrunjiu	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	13,000,000.00		60.00	Business combinations not under common control

Note 1: The Board of Directors of Qinglong Company is composed of 7 directors, and the Group is entitled to nominate 5 directors and the voting on business matters made by the Board of Directors is effective only after it is approved by more than half of all directors. The Group substantially controls Qinglong Company.

Note 2: Due to the profit/loss compensation arrangement during the transition period for Bioland Company, Environment Company, the parent of Bioland Company and a subsidiary of the Company, acquired 2,260,000 shares held by certain minority shareholders of Bioland Company in June 2022 as performance bond. Subsequently, the relevant minority shareholders filed for arbitration regarding the return of these shares. In November 2025, Shenzhen Court of International Arbitration issued a ruling dismissing their application. Accordingly, the Group's shareholding ratio in Bioland Company increased from 92.29% to 92.73%, and the procedures for industrial and commercial change registration have been completed.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiaries

31 December 2025

RMB

Name of subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders	Dividend declared and distributed to minority shareholders	Balance of minority interests at the end of the year
Qinglian Company	**23.63%**	**15,564,223.57**	**–**	**735,183,006.03**
Shenchang Company	**49.00%**	**60,281,496.09**	**(73,500,000.00)**	**140,845,040.09**
Qinglong Company	**50.00%**	**(11,407,035.21)**	**(100,000,000.00)**	**214,184,451.03**
Bioland Company	**7.27%**	**(8,312,219.09)**	**(814,105.71)**	**136,273,164.03**
Qiantai Company	**36.67%**	**(23,890,428.08)**	**–**	**56,666,944.68**
Longda Company	**10.07%**	**8,768,308.97**	**(18,339,288.58)**	**17,965,598.08**
Bay Area Development	**28.17%**	**41,616,445.39**	**(134,058,736.45)**	**3,173,244,914.76**
Guishen Company	**30.00%**	**(25,061,451.50)**	**–**	**411,150,054.34**
Total		**57,559,340.14**	**(326,712,130.74)**	**4,885,513,173.04**

31 December 2024

RMB

Name of subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders	Dividend declared and distributed to minority shareholders	Balance of minority interests at the end of the year
Qinglian Company	23.63%	12,637,326.34	–	719,618,782.46
Shenchang Company	49.00%	64,937,204.67	(80,360,000.00)	154,063,544.00
Qinglong Company	50.00%	14,154,323.24	(120,000,000.00)	325,591,486.24
Bioland Company	7.71%	(28,081,168.10)	(2,007,474.99)	147,779,104.66
Qiantai Company	36.67%	(58,175,891.28)	–	80,557,372.76
Longda Company	10.07%	9,403,201.00	–	27,536,577.69
Bay Area Development	28.17%	40,992,236.00	(167,979,701.55)	3,265,687,205.82
Total		**55,867,231.87**	**(370,347,176.54)**	**4,720,834,073.63**

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3) Major financial information of significant non-wholly-owned subsidiaries

RMB

Name of subsidiary	31 December 2025					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinglian Company	**219,357,248.98**	**4,974,906,118.13**	**5,194,263,367.11**	**340,486,861.11**	**1,812,691,403.83**	**2,153,178,264.94**
Shenchang Company	**48,999,909.18**	**316,778,947.60**	**365,778,856.78**	**78,467,619.30**	**49,318.98**	**78,516,938.28**
Qinglong Company	**631,183,747.11**	**38,084,950.36**	**669,268,697.47**	**160,287,977.25**	**80,611,818.15**	**240,899,795.40**
Bay Area Development	**1,933,214,764.16**	**14,939,579,047.11**	**16,872,793,811.27**	**3,953,950,748.70**	**1,501,986,285.16**	**5,455,937,033.86**
Bioland Company	**669,437,620.16**	**2,979,407,974.31**	**3,648,845,594.47**	**541,753,810.64**	**1,276,202,807.32**	**1,817,956,617.96**
Qiantai Company	**217,767,292.97**	**298,491,772.11**	**516,259,065.08**	**121,066,945.21**	**234,830,931.14**	**355,897,876.35**
Longda Company	**208,636,869.06**	**106,211,259.60**	**314,848,128.66**	**48,891,196.98**	**87,549,800.89**	**136,440,997.87**
Guishen Company	**1,527,886,704.13**	**623,621,148.11**	**2,151,507,852.24**	**720,656,838.31**	**60,350,832.79**	**781,007,671.10**

RMB

Name of subsidiary	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinglian Company	158,981,331.60	5,373,976,578.41	5,532,957,910.01	397,883,535.68	2,159,855,643.61	2,557,739,179.29
Shenchang Company	109,793,890.74	376,173,439.76	485,967,330.50	171,728,873.40	–	171,728,873.40
Qinglong Company	336,964,154.91	711,656,170.39	1,048,620,325.30	194,033,119.31	203,404,233.50	397,437,352.81
Bay Area Development	1,570,161,438.49	15,152,114,086.83	16,722,275,525.32	3,558,557,704.52	1,620,400,257.34	5,178,957,961.86
Bioland Company	598,862,095.11	3,215,814,431.62	3,814,676,526.73	606,409,535.57	1,176,127,615.29	1,782,537,150.86
Qiantai Company	355,625,184.31	298,498,059.89	654,123,244.20	321,140,592.80	108,812,181.61	429,952,774.41
Longda Company	300,397,947.46	134,353,254.50	434,751,201.96	41,880,956.64	119,418,629.84	161,299,586.48

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3) Major financial information of significant non-wholly-owned subsidiaries (Continued)

RMB

Name of subsidiary	2025			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Qinglian Company	**690,395,271.63**	**65,866,371.45**	**65,866,371.45**	**579,049,345.45**
Shenchang Company	**256,040,720.59**	**123,023,461.40**	**123,023,461.40**	**173,626,213.46**
Qinglong Company	**629,360,880.09**	**(22,814,070.42)**	**(22,814,070.42)**	**423,844,824.86**
Bay Area Development	**787,787,453.97**	**177,931,950.72**	**258,816,648.47**	**570,954,766.03**
Bioland Company	**620,490,540.03**	**(195,816,547.11)**	**(195,816,547.11)**	**180,183,010.52**
Qiantai Company	**155,142,147.06**	**(63,809,281.06)**	**(63,809,281.06)**	**98,051,794.42**
Longda Company	**207,149,705.46**	**87,073,574.68**	**87,073,574.68**	**86,323,846.94**
Guishen Company	**50,984,520.96**	**(83,538,171.65)**	**(83,538,171.65)**	**(25,078,694.03)**

RMB

Name of subsidiary	2024			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Qinglian Company	638,110,213.78	53,480,009.90	53,480,009.90	487,204,359.77
Shenchang Company	271,285,958.99	132,524,907.49	132,524,907.49	186,362,668.80
Qinglong Company	637,004,892.35	28,308,646.47	28,308,646.47	438,636,802.06
Bay Area Development	884,318,402.89	333,207,969.71	267,765,242.70	568,931,599.63
Bioland Company	504,025,408.61	(396,647,779.93)	(396,647,779.93)	109,879,918.47
Qiantai Company	190,080,059.68	(153,831,049.35)	(153,831,049.35)	(37,097,623.42)
Longda Company	211,543,938.46	93,378,361.46	93,378,361.46	84,120,155.78

(4) Substantial restriction to the usage of assets or the settlement of liabilities of the Group

As at 31 December 2025, there was no substantial restriction which prohibited the usage of assets or the settlement of liabilities of the Group.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Transaction which gives rise to changes in ownership interests in subsidiaries while the subsidiaries are still held by the Group

(1) Descriptions on changes in ownership interests in subsidiaries

Refer to Note VII, 1(1).

(2) Effect of the transaction on minority interests and equity attributable to shareholders of the Company

RMB

	Bioland Company
Acquisition cost/Disposal consideration	
– Cash	–
– Fair value of non-cash assets	9,356,400.00
Total acquisition cost/disposal consideration	9,356,400.00
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	3,486,647.84
Difference	5,869,752.16
Including: Adjustment to capital reserve	(5,869,752.16)

3. Interests in associates and joint ventures

(1) Significant associates and joint ventures

Name	Place of main business	Place of registration	Nature of business	Shareholding proportion (%)		Method of accounting treatment
				Direct	Indirect	
Derun Environment	Chongqing, PRC	Chongqing, PRC	Environmental governance and resource recovery	–	20.00	Equity method
Guangzhou-Shenzhen-Zhuhai Expressway	Guangdong Province	Guangzhou, Guangdong Province	Toll road operation	–	45.00	Equity method

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in associates and joint ventures (Continued)

(2) Major financial information of significant associates and joint ventures

RMB

Item	31 December 2025/2025		31 December 2024/2024	
	Derun Environment (Note)	Guangzhou-Shenzhen-Zhuhai Expressway	Derun Environment (Note)	Guangzhou-Shenzhen-Zhuhai Expressway
Current assets	**14,548,067,141.76**	**6,221,326,371.40**	11,576,206,667.47	2,167,665,777.17
Including: Cash and cash equivalents	**5,837,334,375.38**	**5,977,751,884.31**	3,965,866,783.80	1,856,103,677.30
Non-current assets	**51,520,413,201.62**	**15,723,721,002.91**	52,642,846,362.75	14,282,941,917.69
Total assets	**66,068,480,343.38**	**21,945,047,374.31**	64,219,053,030.22	16,450,607,694.86
Current liabilities	**10,670,154,155.98**	**816,589,381.29**	12,542,074,244.03	1,910,229,059.39
Non-current liabilities	**20,869,162,230.88**	**8,776,574,508.89**	17,593,527,623.20	2,760,186,927.90
Total liabilities	**31,539,316,386.86**	**9,593,163,890.18**	30,135,601,867.23	4,670,415,987.29
Minority interests	**16,087,466,372.60**	**–**	15,816,804,731.11	–
Equity attributable to shareholders of the Company	**18,441,697,583.92**	**12,351,883,484.13**	18,266,646,431.88	11,780,191,707.57
Share of net assets calculated based on shareholding ratio	**3,688,339,516.78**	**5,558,347,567.86**	3,653,329,286.38	5,301,086,268.41
Adjustments	**1,462,953,999.22**	**(59,572,191.88)**	1,462,953,999.22	(60,315,270.33)
– Goodwill	**1,462,953,999.22**	**–**	1,462,953,999.22	–
– Unrealized profits from internal transactions	**–**	**(60,559,691.86)**	–	(61,302,770.31)
– Others	**–**	**987,499.98**	–	987,499.98
Carrying amount of equity investment in associates and joint ventures	**5,151,293,516.00**	**5,498,775,375.98**	5,116,283,285.60	5,240,770,998.08
Fair value of equity investment in associates and joint ventures with publicly quoted prices	**N/A**	**N/A**	N/A	N/A
Operating income	**13,291,542,851.45**	**2,816,970,583.03**	13,220,827,963.64	2,885,189,075.29
Income tax expenses	**413,042,266.16**	**423,222,649.45**	364,760,022.60	406,678,997.03
Net profit	**767,486,737.05**	**573,343,062.01**	684,126,831.89	535,983,865.65
Net profit from discontinued operations	**–**	**–**	–	–
Other comprehensive income	**41,886,306.60**	**–**	97,300,938.39	–
Total comprehensive income	**809,373,043.65**	**573,343,062.01**	781,427,770.28	535,983,865.65
Dividends received from associates and joint ventures in the current year	**99,600,000.00**	**139,912,500.00**	120,000,000.00	–

Note: The Group shares the net profit of Derun Environment attributable to shareholders of the Company at a 20% shareholding ratio. After deducting the current-year premium amortization of RMB38,909,733.96, the Group recognized the income from investment in Derun Environment of RMB153,497,347.41. The Group shares, based on a 20% shareholding ratio, other comprehensive income net of tax of Derun Environment attributable to shareholders of the Company amounting to RMB4,520,053.53, and decreases the capital reserve of the Group by RMB23,407,170.54 as a result of a decrease in capital reserve of Derun Environment. Please refer to Note V, 13.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in associates and joint ventures (Continued)

(3) Major financial information of insignificant associates and joint ventures

RMB

Item	31 December 2025 /2025	31 December 2024 /2024
Associates and joint ventures:		
Total carrying amount of investments	**9,005,154,310.90**	9,398,328,933.54
Total of the following items calculated based on shareholding ratio		
– Net profit	**325,644,889.50**	473,118,403.77
– Other comprehensive income	**(4,288,318.59)**	17,219,684.85
– Total comprehensive income	**321,356,570.91**	490,338,088.62

As at 31 December 2025, there was no substantial restriction on transferring funds between the associates and joint ventures of the Group.

VIII. GOVERNMENT GRANTS

1. Government grants recognized at the amount of receivables at the end of the reporting year

RMB

Closing balance of receivables	–

VIII. GOVERNMENT GRANTS (CONTINUED)

2. Liabilities involving government grants

RMB

Item	Opening balance	Amount of government grants received in the current year	Amount included in non-operating income	Amount included in other income	Other changes	Closing balance	Related to assets/income
Central subsidy funds for cancellation of the provincial expressway toll station project	12,331,159.62	–	–	6,232,553.55	–	6,098,606.07	Related to assets
Government financial grants for Guizhou Land	465,300.35	–	–	29,178.29	–	436,122.06	Related to assets
Government economic grants for Bioland Company	21,851,557.88	5,432,950.13	–	2,247,305.22	–	25,037,202.79	Related to assets
Government grants for safety and resilience enhancement project of Qinglian Expressway	–	44,100,000.00	–	17,183,320.43	–	26,916,679.57	Related to income
Total	**34,648,017.85**	**49,532,950.13**	**–**	**25,692,357.49**	**–**	**58,488,610.49**	

3. Government grants included in profit or loss for the period

RMB

Item	2025	2024
VAT immediate refund upon payment	**16,027,595.81**	9,075,397.45
Government financial grants for Shenchang Company	**9,706,300.00**	4,788,000.00
Central government subsidy for cancellation of provincial expressway toll station project	**6,232,553.55**	6,232,553.55
Government grants for safety and resilience enhancement project of Qinglian Expressway	**17,183,320.43**	–
Government economic grants for Bioland Company	**2,247,305.22**	1,005,081.07
Government financial grants for Guizhou Land	**29,178.29**	11,060.95
Others	**4,808,621.16**	1,015,873.49
Total	**56,234,874.46**	22,127,966.51

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash at banks and on hand, transactional financial assets, bills receivable, accounts receivable, other receivables, non-current assets due within one year, other current assets, long-term receivables, other non-current financial assets, short-term borrowings, transactional financial liabilities, bills payable, accounts payable, other payables, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable, lease liabilities and long-term payables, etc. At the end of the year, the Group has the following financial instruments. Please refer to Note V. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure that the risks are monitored at a certain level.

RMB

Item	31 December 2025	31 December 2024
Financial assets		
Measured at fair value through profit or loss		
Transactional financial assets	**2,557,452,332.60**	129,822,937.64
Other non-current financial assets	**1,086,963,286.26**	970,911,383.44
Measured at amortized cost		
Cash at banks and on hand	**5,152,923,237.15**	2,908,582,010.43
Bills receivable	**3,244,984.06**	1,390,389.45
Accounts receivable	**1,024,835,422.75**	957,468,799.75
Other receivables	**678,305,946.54**	834,685,738.81
Non-current assets due within one year	**941,440,005.71**	435,993,394.13
Other current assets	**462,711,808.20**	374,275,722.22
Long-term receivables	**3,076,966,653.03**	3,200,026,120.96
Financial liabilities		
Measured at fair value through profit or loss		
Transactional financial liabilities	**270,588,092.75**	197,664,719.66
Measured at amortized cost		
Short-term borrowings	**3,356,091,388.07**	2,573,849,184.49
Bills payable	**334,725,708.50**	870,678,402.08
Accounts payable	**2,869,401,694.00**	2,987,806,080.65
Other payables	**1,258,603,170.27**	1,169,000,291.23
Non-current liabilities due within one year	**6,383,064,479.84**	2,544,252,549.95
Other current liabilities	**1,517,142,451.70**	3,016,271,998.43
Long-term borrowings	**11,127,215,070.78**	13,912,273,334.21
Bonds payable	**9,293,546,076.09**	10,194,223,064.28
Lease liabilities	**14,519,888.88**	15,896,203.85
Long-term payables	**387,586,715.85**	387,586,715.85

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

The Group adopts sensitivity analysis technique to analyze how profit or loss for the period and shareholders' equity would have been affected by reasonable and possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each variable is on a stand-alone basis.

1. Risk management objectives, policies and procedures, and changes during the year

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure that the risks are monitored at a certain level.

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD and USD. Except for the investment and financing activities of several subsidiaries of the Group in HKD and USD, other principal operating activities of the Group are denominated and settled in RMB. As at 31 December 2025, the Group's assets and liabilities are all denominated in RMB, except for the balances of assets or liabilities set out below are denominated in foreign currencies.

RMB

Item	31 December 2025	31 December 2024
Cash at banks and on hand	**37,032,342.66**	20,380,768.24
Other payables	**21,315.99**	37,046.23
Non-current liabilities due within one year	**2,128,582,084.56**	18,135,733.76
Bonds payable	**–**	2,156,520,000.00
Lease liabilities	**4,017,235.96**	8,556,356.26

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the year (Continued)

1.1 Market risk (Continued)

1.1.1 Currency risk (Continued)

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all hedges of net investments in foreign operations and the cash flow hedges are highly effective.

Based on the above assumptions, where all other variables are held constant, the reasonable and possible changes in foreign exchange rate may have the following pre-tax effect on profit or loss for the period and shareholders' equity:

RMB

		2025		2024	
Item	Changes in exchange rate	Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
USD	10% increase against RMB	**(212,543,278.18)**	**(212,543,278.18)**	(217,369,374.20)	(217,369,374.20)
USD	10% decrease against RMB	**212,543,278.18**	**212,543,278.18**	217,369,374.20	217,369,374.20
HKD	10% increase against RMB	**2,984,448.79**	**2,984,448.79**	1,082,537.40	1,082,537.40
HKD	10% decrease against RMB	**(2,984,448.79)**	**(2,984,448.79)**	(1,082,537.40)	(1,082,537.40)

1.1.2 Interest rate risk – risk of changes in cash flows

The Group's risk of changes in cash flows of financial instruments caused by changes in interest rates is mainly related to the Group's floating rate bank borrowings. The Group continues to pay close attention to the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain floating interest rates for these borrowings. Currently, there are no arrangements such as interest rate swaps.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the year (Continued)

1.1 Market risk (Continued)

1.1.2 Interest rate risk – risk of changes in cash flows (Continued)

Sensitivity analysis on interest rate risk

Where all other variables are held constant, the reasonable and possible changes in interest rate may have the following pre-tax effect on profit or loss for the period and shareholders' equity:

RMB

		2025		2024	
Item	Changes in interest rate	Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
RMB	100 basis points higher	**(111,225,172.42)**	**(111,225,172.42)**	(129,581,185.29)	(129,581,185.29)
RMB	100 basis points lower	**111,225,172.42**	**111,225,172.42**	129,581,185.29	129,581,185.29

1.2 Credit risk

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash at banks and on hand, bills receivable, accounts receivable, other receivables, long-term receivables, etc. Some of the Group's accounts receivable have relatively long aging and are significant in amount. The counterparty's ability to fulfill contractual obligations has deteriorated due to economic changes and market competition, and disputes exist regarding contract execution for certain businesses, thereby increasing the credit risks. For financial instruments measured at fair value, the carrying amount reflects their risk exposure, but it is not the maximum risk exposure. The maximum risk exposure will change with changes in fair value in the future. In addition, the Group's maximum exposure to credit risk includes the amount of financial guarantee contract as disclosed in Note XII, 2 "Contingencies".

In order to reduce credit risk, the Group needs to conduct credit reviews on customers engaging in transactions on credit. In addition, the Group continuously monitors the balance of accounts receivable, establishes clear collection targets for receivables within the Group, and assigns specific responsibilities to relevant entities and individuals, linking these targets to their performance assessment.

The credit risk on cash at banks and on hand is limited because they are deposited with banks with high credit ratings.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the year (Continued)

1.3 Liquidity risk

In the management of the liquidity risk, the management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the use of bank borrowings and bonds and ensures compliance with loan agreements and prospectuses.

As at 31 December 2025, the Group had unused bank credit lines totaling RMB71,486,524,391.65, which can satisfy the Group's debt and capital commitments. The Group is able to solve the lack of working capital through reasonable financing arrangements.

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	3,387,545,688.30	–	–	–	3,387,545,688.30
Bills payable	334,725,708.50	–	–	–	334,725,708.50
Accounts payable	2,869,401,694.00	–	–	–	2,869,401,694.00
Other payables	1,258,603,170.27	–	–	–	1,258,603,170.27
Non-current liabilities due within one year	6,392,414,756.58	–	–	–	6,392,414,756.58
Other current liabilities	1,518,197,260.27	–	–	–	1,518,197,260.27
Long-term borrowings	340,612,944.86	1,946,495,259.96	7,083,998,730.38	3,087,107,911.33	12,458,214,846.53
Bonds payable	289,423,402.19	1,267,703,082.19	7,606,620,328.77	1,037,280,273.97	10,201,027,087.12
Lease liabilities	–	9,834,571.02	4,393,885.94	538,721.94	14,767,178.90
Long-term payables	–	–	387,586,715.85	–	387,586,715.85
Transactional financial liabilities	270,588,092.75	–	–	–	270,588,092.75
Mortgage guarantee	259,188,136.61	–	–	–	259,188,136.61
Total	**16,920,700,854.33**	**3,224,032,913.17**	**15,082,599,660.94**	**4,124,926,907.24**	**39,352,260,335.68**

Given that the Group has stable and abundant operating cash flow and sufficient credit lines, and has made appropriate financing arrangements to meet debt repayment and capital expenditures, the management of the Company believes that the Group does not have significant liquidity risk.

2. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Capital management (Continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the profit distribution to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or procedures for managing capital in 2025 and 2024.

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio as at the balance sheet date is as follows:

RMB

Item	31 December 2025	31 December 2024
Total assets	**71,289,150,413.25**	67,558,030,948.58
Total liabilities	**39,236,668,403.08**	40,356,460,239.19
Debt-to-asset ratio	**55.04%**	59.74%

X. DISCLOSURE OF FAIR VALUE

1. Closing balance of fair value of assets and liabilities measured at fair value

31 December 2025

RMB

	Closing balance of fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Fair value measurement on a recurring basis:				
Transactional financial assets	**–**	**2,439,548,117.83**	**117,904,214.77**	**2,557,452,332.60**
Other non-current financial assets	**468,952,200.00**	**–**	**618,011,086.26**	**1,086,963,286.26**
Transactional financial liabilities	**–**	**–**	**(270,588,092.75)**	**(270,588,092.75)**
Total	**468,952,200.00**	**2,439,548,117.83**	**465,327,208.28**	**3,373,827,526.11**

The fair value of level 3 financial instrument is estimated using the market approach, discounted cash flow method, etc. Unobservable inputs mainly include discount rate, liquidity discount, etc. The Group believes that the fair value estimated based on valuation techniques and its changes are reasonable and it is the most appropriate value at 31 December 2025.

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

As at 31 December 2025, the management of the Company considers that the carrying amounts of financial assets and financial liabilities measure at amortized cost in the Group's financial statements approximate their fair values.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

1. Information about the parent company

Name of parent company	Place of registration	Nature of business	Registered capital	Equity interest held	Voting rights
Shenzhen International	Bermuda	Investment holding	HKD3,000,000,000.00	47.30%	47.30%

The controlling shareholder of the Company is Shenzhen International, and the ultimate controlling party of the Company is Shenzhen SASAC.

2. Information about the subsidiaries

The information about the subsidiaries is set out in Note VII, 1.

3. Information about the associates and joint ventures

Information about the associates and joint ventures that have related party transactions with the Group in the current year or had related party transactions with the Group in the previous periods is as follows:

Name	Relationship with the Company
Yunji Smart	Associate and joint venture
Huayu Company	Associate and joint venture
Huai'an Zhongheng	Associate and joint venture
Yangmao Company	Associate and joint venture
United Land Company	Associate and joint venture
Nanjing Anvis Transmission Technology Co., Ltd. ("Nanjing Anvis")	Subsidiary of the associate and joint venture
Guangzhou-Shenzhen-Zhuhai Expressway	Associate and joint venture
Xintang Joint Venture	Associate and joint venture
GZ W2 Company	Associate and joint venture
Nanjing Third Bridge Company	Associate and joint venture
Guangzhou-Zhuhai West Line Expressway	Associate and joint venture
Nanning Sanfeng Energy Co., Ltd. ("Nanning Sanfeng")	Subsidiary of the associate and joint venture
Fenghe Energy	Associate and joint venture

4. Information about other related parties

Name	Relationship with the Company
Shenzhen International Modern Logistics Petty Loan Co. Ltd. ("Shenzhen International Modern Logistics Petty Loan")	Wholly-owned subsidiary of the controlling shareholder
Henan Yudong Shenan Port Co., Ltd. ("Henan Yudong")	Holding subsidiary of the controlling shareholder
Hunan Guangyuan Culture Media Co., Ltd. ("Hunan Guangyuan")	Holding company of minority shareholders in a subsidiary
Xin Tong Chan Company	Wholly-owned subsidiary of the controlling shareholder
United Electronic	Participating company
Water Planning & Design Institute	Participating company

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Related party transactions for procurement and sale of goods, rendering and receipt of labor services

Procurement of goods/receipt of labor services

RMB

Name of related party	Content of transaction	2025	2024
United Electronic (Note 1)	Receipt of network-based toll settlement services	**28,985,408.86**	26,935,367.41
Guangzhou-Shenzhen-Zhuhai Expressway (Note 2)	Receipt of operation and management services	**17,086,189.80**	18,351,785.20
Yunji Smart (Note 3)	Receipt of engineering survey, design and consulting services	**12,766,588.09**	24,298,366.14
Nanjing Anvis	Receipt of wind turbine repair services	**1,592,834.78**	1,962,138.05
Nanning Sanfeng	Receipt of sewage, sludge, and waste disposal services	**531,930.97**	847,551.03
Water Planning & Design Institute	Receipt of engineering consulting services	**87,464.00**	–
Total		**61,050,416.50**	72,395,207.83

Note 1: The Guangdong Provincial People's Government has designated United Electronic to take charge of the sub-account management of network-based toll collection for highways across the province and unified management of non-cash settlement systems. The Company and its subsidiaries have entered into a series of agreements with United Electronic and entrusted it to provide toll collection services for Coastal Expressway, Meiguan Expressway, Airport-Heao Expressway, Qinglian Expressway, Outer Ring Expressway, Longda Expressway and Shuiguan Expressway invested by the Group. The service periods end on the expiry dates of toll collection periods of the toll roads. The related service charges are determined by the commodity price bureau of Guangdong Province.

Note 2: The Company has entered into service contracts with Guangzhou-Shenzhen-Zhuhai Expressway to receive operation & management services for Coastal Expressway.

Note 3: The Group has entered into service contracts with Yunji Smart to receive engineering survey and design, consulting, highway inspection and special maintenance services for Outer Ring Expressway and other ancillary roads of the Group.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Related party transactions for procurement and sale of goods, rendering and receipt of labor services (Continued)

Sale of goods/rendering of labor services:

RMB

Name of related party	Content of transaction	2025	2024
Guangzhou-Shenzhen-Zhuhai Expressway (Note 1)	Personnel dispatch services	**4,878,380.03**	4,182,391.71
Guangzhou-Zhuhai West Line Expressway (Note 1)	Personnel dispatch services	**2,115,680.58**	1,883,894.98
Xintang Joint Venture (Note 1)	Personnel dispatch services	**801,886.80**	801,886.79
Huai'an Zhongheng (Note 2)	Operation and maintenance services	**734,011.85**	317,482.41
Nanjing Third Bridge Company (Note 1)	Personnel dispatch services	**699,500.33**	547,328.29
Yangmao Company (Note 1)	Personnel dispatch services	**586,667.76**	558,713.83
GZ W2 Company (Note 1)	Personnel dispatch services	**380,883.01**	377,420.26
Yunji Smart (Note 3)	Commission sale of water and electricity services	**1,769.90**	20,831.53
GZ W2 Company	Engineering construction services	**–**	2,610,274.31
Others (Note 4)	Commission sale of water and electricity services and others	**384,742.21**	425,141.47
Total		**10,583,522.47**	11,725,365.58

Note 1: The Company provides personnel dispatch services to GZ W2 Company, Nanjing Third Bridge Company and Yangmao Company; Bay Area Development, a subsidiary of the Company, provides personnel dispatch services to Guangzhou-Shenzhen-Zhuhai Expressway, Xintang Joint Venture and Guangzhou-Zhuhai West Line Expressway.

Note 2: Nanjing Wind Power, a subsidiary of the Company, entered into an entrusted operation contract with Huai'an Zhongheng, under which it provides entrusted management and operation services for Huai'an Zhongheng's wind power plants.

Note 3: Coastal Company, a subsidiary of the Company, provides water and electricity resources to Yunji Smart.

Note 4: The Group provides water and electricity services and other services to Xin Tong Chan Company, Huayu Company and Hunan Guangyuan. The water and electricity service is charged and calculated based on the price paid to the water supply agency and power supply agency. The respective transaction amounts were not presented separately as they were not material.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Related leases

(a) The Group as a lessor

RMB

Lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year
Hunan Guangyuan	Billboard	**194,400.00**	194,400.00
Fenghe Energy	Lease of premises	**99,082.57**	–
Henan Yudong	Lease of equipment	**–**	555,516.14
Total		**293,482.57**	**749,916.14**

(3) Remuneration of key management personnel

RMB

Item	For the year ended 31 December 2025	For the year ended 31 December 2024
Basic salary, housing allowance, other allowances and non-cash benefits	**12,439,381.43**	11,867,164.99
Total contributions to the pension scheme	**–**	–
Total amount of bonuses paid or payable to the highly paid individuals as appropriate or based on performance	**–**	–

Key management personnel include directors, supervisors and senior management personnel. The Company has a total of 23 (2024: 23) key management personnel during the year. The performance-based compensation for senior management personnel listed in the table above for 2025 has not yet been disbursed. The figures presented are provisional estimates based on the performance compensation rules applicable in 2024, and the final amounts shall be subject to actual disbursement.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Remuneration of key management personnel (Continued)

*(a) Remuneration of directors and supervisors

The remuneration for each director and supervisor in 2025 is as follows:

RMB

Name	Remuneration	Salary and bonus	Total
Xu Enli	–	1,104,000.00	1,104,000.00
Liao Xiangwen	–	1,101,144.00	1,101,144.00
Yao Hai	–	985,992.00	985,992.00
Ye Huihui	–	529,833.93	529,833.93
Wang Chao	–	–	–
Li Feilong	230,000.00	–	230,000.00
Miao Jun	230,000.00	–	230,000.00
Xu Huaxiang	230,000.00	–	230,000.00
Yan Yan	230,000.00	–	230,000.00
Wen Liang	–	–	–
Jin Zhenyuan	–	–	–
Chen Yunjiang	–	–	–
Dai Jingming	–	–	–
Li Xiaoyan	–	–	–
Hou Shenghai	–	–	–
Wu Yanling	–	–	–
Zhang Jian	–	–	–

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Remuneration of key management personnel (Continued)

*(a) Remuneration of directors and supervisors (Continued)

The remuneration for each director and supervisor in 2024 is as follows:

RMB

Name	Remuneration	Salary and bonus	Total
Xu Enli	–	106,700.00	106,700.00
Liao Xiangwen	–	1,123,000.00	1,123,000.00
Wang Zengjin	–	–	–
Yao Hai		1,041,500.00	1,041,500.00
Lin Jitong	–	–	–
Wen Liang	–	–	–
Ye Huihui	–	529,833.93	529,833.93
Dai Jingming	–	–	–
Li Xiaoyan	–	–	–
Lv Dawei	–	–	–
Bai Hua	32,050.00	–	32,050.00
Li Feilong	230,000.00	–	230,000.00
Miao Jun	230,000.00	–	230,000.00
Xu Huaxiang	230,000.00	–	230,000.00
Yan Yan	197,950.00	–	197,950.00
Wang Chao	–	–	–

The remuneration of the above directors and supervisors has been reflected in the remuneration of key management personnel.

In the current year, the meeting allowances (before tax) payable to directors Xu Enli, Liao Xiangwen, Yao Hai, Li Feilong, Miao Jun, Xu Huaxiang, Yan Yan, Wen Liang (resigned), Chen Yunjiang, Dai Jingming (resigned), Li Xiaoyan (resigned), Wu Yanling, and Zhang Jian, and to supervisors Wang Chao and Ye Huihui amounted to RMB14,000.00, RMB17,000.00, RMB10,000.00, RMB20,000.00, RMB18,000.00, RMB17,000.00, RMB17,000.00, RMB8,500.00, RMB4,000.00, RMB4,000.00, RMB500.00, RMB10,000.00, RMB9,000.00, RMB7,500.00 and RMB7,500.00, respectively. Among others, directors Xu Enli, Liao Xiangwen, Yao Hai, Wen Liang (resigned), Chen Yunjiang, Dai Jingming (resigned), Li Xiaoyan (resigned), Wu Yanling, and Zhang Jian, and supervisor Wang Chao have waived their rights to receive the meeting allowances of the year.

In addition, directors Xu Enli, Liao Xiangwen, Yao Hai and supervisor Ye Huihui also received other benefits and allowances, including employer contributions to the retirement plan and employee medical insurance plan, which amounted to RMB211,887.18 (2024: RMB20,588.44), RMB208,941.18 (2024: RMB236,821.93), RMB204,333.18 (2024: RMB228,337.93), and RMB162,274.08 (2024: RMB167,533.38), respectively.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Remuneration of key management personnel (Continued)

*(b) Five highest paid individuals

The total amount of remuneration of the five highest paid individuals is listed as follows:

RMB'000

Item	For the year ended 31 December 2025	For the year ended 31 December 2024
Basic salary, housing allowance, other allowances and non-cash benefits	**2,765**	3,018
Total contributions to the pension scheme	**752**	753
Total amount of bonuses paid or payable to the highly paid individuals as appropriate or based on performance	**3,698**	3,748

Scope of remuneration	Number of individuals in 2025	Number of individuals in 2024
HKD 0 to HKD1,000,000	**–**	–
HKD 1,000,001 to HKD1,500,000	**4**	4
HKD 1,500,001 to HKD2,000,000	**1**	1
HKD 2,000,001 and above	**–**	–

(4) Borrowings from/to related parties

Borrowings from related parties:

RMB

Related party	Amount of borrowings	31 December 2025	Interest rate	Inception date	Due date
United Land Company (Note)	–	**387,586,715.85**	–	29 December 2021	–

Note: As at 31 December 2025, the balance of the Company's interest-free borrowing from United Land Company was RMB387,586,715.85.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties

(1) Receivable items

RMB

Item	Related parties	31 December 2025		31 December 2024	
		Gross carrying amount	Bad debt provision	Gross carrying amount	Bad debt provision
Accounts receivable	GZ W2 Company	**85,356.00**	**–**	2,845,199.00	–
Accounts receivable	Huayu Company	**65,630.56**	**–**	67,036.43	–
Prepayments	Yunji Smart	**6,575,698.54**	**–**	3,066,691.80	–
Prepayments	United Electronic	**39,764.96**	**–**	69,522.41	–
Other receivables (Note V, 6.3(2))	Huai'an Zhongheng	**88,331,191.80**	**70,664,953.44**	88,331,191.80	26,499,357.54
Other receivables (Note V, 6.3(2))	Guangzhou-Shenzhen-Zhuhai Expressway	**832,204.42**	**–**	2,233,659.11	–
Other receivables (Note V, 6.3(2))	Xintang Joint Venture	**425,000.00**	**–**	425,000.00	–
Other receivables (Note V, 6.3(2))	Guangzhou-Zhuhai West Line Expressway	**365,498.85**	**–**	279,031.22	–
Other receivables (Note V, 6.3(2))	United Land Company	**126,393.75**	**–**	–	–
Other receivables (Note V, 6.3(2))	United Electronic	**109,966.67**	**–**	92,895.74	–
Other receivables (Note V, 6.3(2))	Yunji Smart	**84,050.00**	**–**	84,050.00	–
Other receivables (Note V, 6.3(2))	Huayu Company	**–**	**–**	20,000.00	–

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties (Continued)

(2) Payable items

RMB

Item	Related parties	31 December 2025	31 December 2024
Accounts payable	Yunji Smart	**18,061,019.02**	16,973,345.72
Accounts payable	Nanjing Anvis	**1,105,575.00**	2,273,004.00
Accounts payable	United Electronic	**317,918.76**	320,113.40
Accounts payable	Nanning Sanfeng	**38,689.20**	50,783.03
Contract liabilities	Huai'an Zhongheng	**848,743.00**	–
Other payables (Note V, 32.3(1))	GZ W2 Company	**40,000,000.00**	25,000,000.00
Other payables (Note V, 32.3(1))	Huayu Company	**30,400,000.00**	23,200,000.00
Other payables (Note V, 32.3(1))	Nanjing Third Bridge Company	**23,152,500.00**	41,296,500.00
Other payables (Note V, 32.3(1))	Yunji Smart	**11,922,943.73**	40,524,132.86
Other payables (Note V, 32.3(1))	Guangzhou-Shenzhen-Zhuhai Expressway	**4,315,575.00**	6,069,685.20
Other payables (Note V, 32.3(1))	United Electronic	**2,044,497.36**	1,770,754.25
Other payables (Note V, 32.3(1))	Nanjing Anvis	**250,146.68**	38,766.48
Other payables (Note V, 32.3(1))	Hunan Guangyuan	**20,000.00**	–
Other payables (Note V, 32.3(1))	Xin Tong Chan Company	**5,000.00**	5,000.00
Other payables (Note V, 32.3(1))	Shenzhen International Petty Loan	**–**	2,196.12
Other payables (Note V, 32.3(1))	Yangmao Company	**25,000,000.00**	45,000,000.00
Long-term payables (Note V, 38.(1))	United Land Company	**387,586,715.85**	387,586,715.85

Amounts due from/to related parties above are non-interest bearing, unsecured and have no fixed repayment terms.

7. Related party commitments

The following table presents the commitments related to related parties that have been contracted but not presented on the statement of financial position:

(1) Receipt of services

RMB

Related party	31 December 2025	31 December 2024
Yunji Smart	**148,150,756.66**	43,442,094.30
Nanjing Anvis	**2,117,875.22**	–
Nanning Sanfeng	**364,748.99**	96,016.80
Total	**150,633,380.87**	43,538,111.10

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Related party commitments (Continued)

(2) Rendering of services

RMB

Related party	31 December 2025	31 December 2024
GZ W2 Company	–	2,877,558.00

(3) Investment commitments

In order to satisfy the capital requirements for the renovation and expansion projects regarding the Guangzhou Huocun to Dongguan Chang'an Section of Beijing-Hong Kong-Macao Expressway and the Guangzhou Huangcun to Huocun Section of Guangzhou-Foshan Expressway held by Guangzhou-Shenzhen-Zhuhai Expressway, a joint venture and associate of the Company, the Company held its 51st meeting of the 9th session of Board of Directors on 23 January 2025, reviewed and approved the *Proposal on Capital Increase to Guangzhou-Shenzhen-Zhuhai Expressway Company*. On 24 January 2025, Hopewell China Development, a subsidiary of the Company, entered into an *Agreement of Capital Increase to Guangzhou-Shenzhen-Zhuhai Expressway Co., Ltd. between Guangdong Highway Construction Co., Ltd. and Hopewell China Development (Superhighway) Limited* (the "Capital Increase Agreement") with Guangdong Highway Construction Co., Ltd. ("Guangdong Highway Construction"). Pursuant to the Capital Increase Agreement, Hopewell China Development and Guangdong Highway Construction agreed to subscribe and pay for the registered capital of Guangzhou-Shenzhen-Zhuhai Expressway after the change of registration in accordance with their shareholding ratios as agreed in the Capital Increase Agreement, and after the completion of the Capital Increase, the registered capital of Guangzhou-Shenzhen-Zhuhai Expressway is RMB7,300 million. Specifically, Hopewell China Development subscribed and actually paid RMB3,285 million (or equivalent amount in foreign currencies) in respect of its 45% shareholding ratio; and Guangdong Highway Construction subscribed and actually paid RMB4,015 million in respect of its 55% shareholding ratio. As of 31 December 2025, Hopewell China Development has completed a capital increase of RMB295 million to Guangzhou-Shenzhen-Zhuhai Expressway.

(4) Equity acquisition commitments

As at 31 December 2025, the Group had no equity acquisition commitments.

XII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

In addition to the related party commitments disclosed in Note XI, 7, other significant commitments of the Group are as follows:

(1) Capital commitments

RMB

Item	31 December 2025	31 December 2024
Capital commitments that have been contracted but not yet recognized in the financial statements:		
– Expressway construction	**9,348,911,016.00**	10,445,493,263.59
– Kitchen waste disposal projects	**187,434,983.39**	252,176,311.17
Total	**9,536,345,999.39**	10,697,669,574.76

(2) Contingencies

Significant contingencies at the balance sheet date

(a) As at 31 December 2025, the Group's performance bonds for certain projects are in effect, with a total guarantee amount of approximately RMB641 million.

(b) As at 31 December 2025, the Group provided a periodic joint and several liability guarantee amounting to RMB259 million to the bank for house mortgage loans granted by the bank to the Group's property buyers. Under the terms of guarantee, the Group is responsible for paying the outstanding mortgage loans and any accrued interest and penalties owed to the bank by the buyers in arrears if the buyers default in the mortgage payments, and the Group can then receive legal ownership of the property. The Group's guarantee period commences on the date on which the relevant mortgage loan is granted by the bank and ends on the date on which the buyer obtains the title deeds of the individual properties. The management believes that if the payment is in arrears, the net realizable value of the property is sufficient to cover the outstanding mortgage loans together with any accrued interest and penalties, and therefore no provision is made for these guarantees.

(c) In February 2020, Juye Changguang Wind Energy Co., Ltd. ("Juye Changguang") entered into a *Contract for Procurement of Wind Turbines and Auxiliary Equipment for Heze Juye 50MW Wind Power Generation Project* with Nanjing Wind Power On 15 January 2025, Juye Changguang filed a lawsuit with the People's Court of Juye County, alleging that Nanjing Wind Power had delayed delivery of goods until 31 December 2020, preventing Juye Changguang from completing the urgent installation and grid connection of the entire project by 31 December 2020, and consequently causing the 25MW project to be ineligible for national subsidies on wind power. Specifically, Juye Changguang requested (1) Nanjing Wind Power to make compensation to Juye Changguang for losses amounting to RMB91,767,762.97 incurred due to Juye Changguang's ineligibility to receive the national subsidies as a result of the delayed delivery; (2) Environment Company, a shareholder of Nanjing Wind Power, to assume joint and several liability for the obligations under claim (1) against Nanjing Wind Power; and (3) Nanjing Wind Power and Environment Company to bear the litigation costs of this case. As of the date of approval for issue of the financial statements, the case is in the first-instance stage, and the Board of Directors believes that the outcome of the arbitration and the compensation obligation (if any) cannot be reliably estimated.

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

1. Significant commitments (Continued)

(2) Contingencies (Continued)

Significant contingencies at the balance sheet date (Continued)

(d) Pursuant to the *Engineering Equipment Supply and Installation Contract* and the *Wind Turbine Quality Warranty Agreement* entered into by and between Nanjing Wind Power and Huai'an Zhongheng, Nanjing Wind Power shall supply wind turbines for wind farms under Huai'an project. A dispute arose between the two parties regarding payment for construction work and construction quality issues. On 16 August 2024, Nanjing Wind Power filed a lawsuit with the Intermediate People's Court of Huai'an District, alleging that Huai'an Zhongheng had failed to pay the overdue construction costs despite repeated demands. On 10 April 2025, Huai'an Zhongheng filed another lawsuit with the People's Court of Huai'an District for the repair and replacement costs as well as the power generation losses incurred due to the blade quality issues, requesting: (1) Nanjing Wind Power to compensate for the repair and replacement costs related to wind turbine equipment and blades amounting to RMB91,495,796.97; (2) Nanjing Wind Power to compensate for costs related to quality inspection, verification, patrols, and repairs amounting to RMB4,366,284.98; (3) Nanjing Wind Power to compensate for power generation losses amounting to RMB28,382,747.01; and (4) Nanjing Wind Power to bear all litigation costs of this case. As of the date of approval for issue of the financial statements, the case is in the first-instance stage, and the Board of Directors believes that the outcome of the ruling and the compensation obligation (if any) cannot be reliably estimated.

(e) In January 2022, Fund Company, a subsidiary of the Company, and CCCC Second Harbour Engineering Co., Ltd. ("CCCC Second Harbour Engineering Company"), among other investors, entered into a Partnership Agreement to jointly establish Shenzhen Shengao Infrastructure Private Equity Investment Fund Partnership (Limited Partnership) (the "Infrastructure Fund"), for the purpose of investing in the transportation infrastructure sector. As the General Partner, Fund Company contributed 0.02% of the capital, while CCCC Second Harbour Engineering Company contributed 23.53% as the Limited Partner. The initial paid-in capital amounting to RMB595 million was paid for Infrastructure Fund, of which CCCC Second Harbour Engineering Company contributed RMB140 million. On 24 January 2025, CCCC Second Harbour Engineering Company filed an application for arbitration with the Shenzhen Court of International Arbitration against Fund Company and Infrastructure Fund, requesting: (1) the termination of the *Partnership Agreement* entered into with Fund Company; (2) the return of the principal and interest of the investment funds amounting to RMB144,289,600.00; (3) that Fund Company and Infrastructure Fund to bear the arbitration costs and preservation fees incurred hereunder. On 10 July 2025, Fund Company received an arbitration notice from CCCC Second Harbour Engineering Company regarding its withdrawal from Infrastructure Fund and the return of its investment funds. As of the date of approval for issue of the financial statements, the case is under arbitration, and the Board of Directors believes that the outcome of the arbitration and the compensation obligation (if any) cannot be reliably estimated.

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

1. Significant commitments (Continued)

(2) Contingencies (Continued)

Significant contingencies at the balance sheet date (Continued)

(f) On 9 November 2018, Guishen Company and Guizhou Land jointly listed the 100% equity interests and corresponding creditor's right transfer projects of four companies related to Parcel II of the Guilong Project on the Shenzhen United Property and Equity Exchange. Specifically, Guishen Company transferred its 100% equity interests and corresponding creditor's rights in its subsidiary, Guizhou Shengbo Land Co., Ltd., while Guizhou Land transferred its 100% equity interests and corresponding creditor's rights in three subsidiaries including Guizhou Hengfengxin Real Estate Co., Ltd., Guizhou Henghongda Real Estate Co., Ltd. and Guizhou Yehengda Real Estate Co., Ltd. On 23 January 2019, Guizhou Xinhe Lifu Real Estate Development Co., Ltd. ("Xinhe Lifu") entered into an *Equity and Creditor's Rights Transfer Contract* with Guishen Company and Guizhou Land to accept the 100% equity interests and corresponding creditor's rights in for companies mentioned above. On 30 June 2025, Xinhe Lifu filed an application for arbitration with the Shenzhen Court of International Arbitration against the aforementioned *Equity and Creditor's Rights Transfer Contract*, alleging that the publicly disclosed information in the *Transfer Notice* and *Appraisal Report* regarding the listed transfers was false, then Shenzhen Court of International Arbitration formally accepted the case on 13 Augus 2025 and held a hearing on 8 March 2026. Xinhe Lifu requested (1) the reduction of the contract price by RMB50,913,500.00, with refund of such amount; (2) the payment of losses arising from the occupation of the aforementioned funds amounting to RMB49,652,800.00; (3) the compensation for actual losses incurred by Xinhe Lifu due to the execution and performance of the contract amounting to RMB23,539,300.00; and (4) the refund of RMB20,412,000.00 paid by Xinhe Lifu on 13 May 2019, along with corresponding losses from fund occupation amounting to RMB18,369,100.00. The amount claimed in the foregoing requests totaled RMB162,886,700.00. As of the date of approval for issue of the financial statements, the case is under arbitration, and the Board of Directors believes that the outcome of the ruling and the compensation obligation (if any) cannot be reliably estimated.

In addition to the above matters, as at 31 December 2025, the amount of the pending litigation and arbitration cases in which the Group is the defendant totaled RMB307,639,200.00. After consulting with the attorney, the Company's Board of Directors believes that the outcome of the aforesaid litigation and arbitration and the compensation obligation (if any) cannot be reliably estimated.

XIII. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

(1) On 6 January 2026, the Company completed the issuance of corporate bonds (first phase) to professional investors in 2026. The issuance scale is RMB1,500,000,000.00, with a coupon rate of 1.98% and a term of 5 years.

(2) On 25 March 2026, as approved at the 60th meeting of the 9th session of Board of Directors of the Company, a cash dividend of RMB0.244 (inclusive of tax) per share shall be distributed based on total shares of the Company as at 31 December 2025. The total dividend distribution amount to RMB619,236,894.99, with no transfer of capital reserve to equity, and the aforesaid resolution will be submitted to the 2025 Shareholders' Meeting for approval.

XIV. OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Basis for determination and accounting policies of reporting segments

According to the Group's internal organizational structure, management requirements and internal reporting system, the Group's operating business is divided into two operating segments. The management of the Group regularly evaluates the operating results of these segments to determine the allocation of resources and evaluation of their performance. On the basis of operating segments, the Group has identified two reporting segments, namely the toll road segment and the environmental protection segment. These reporting segments are determined on the basis of their main business. The main products and services provided by each reporting segment of the Group: toll road segment takes charge of operation and management of toll roads in Chinese Mainland; environmental protection segment takes charge of the operation and management of environment-related infrastructure, mainly including solid waste treatment, clean energy and other related fields; and other businesses principally comprise the provision of entrusted management services, advertising services, property development, finance leases, construction services under franchise arrangement and other services. These businesses cannot be separated into reportable segments.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

XIV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segment

2025

RMB

Item	Toll road	Environmental protection	Others	Unallocated	Total
Revenue from external customers	5,123,849,101.01	1,517,716,278.51	2,622,915,161.51	–	9,264,480,541.03
Cost of services	2,811,056,075.22	1,266,745,590.89	2,379,192,897.43	–	6,456,994,563.54
Interest income	41,412,840.73	2,049,159.46	2,478,142.42	25,420,089.62	71,360,232.23
Interest expenses	48,764,825.44	128,121,933.85	682,480,287.34	–	859,367,046.63
Income from investment in associates and joint ventures	459,079,944.43	136,569,613.02	141,497,057.36	–	737,146,614.81
Credit impairment gains (losses)	–	(76,145,250.40)	(7,763,765.55)	–	(83,909,015.95)
Gains (losses) on impairment of assets	(373,893,131.20)	(204,618,893.47)	(83,199,349.48)	–	(661,711,374.15)
Gains (losses) on disposal of assets	1,407,887.42	1,585,338.83	40,740.18	–	3,033,966.43
Depreciation and amortization expenses	1,777,769,936.48	539,220,601.90	82,811,383.16	73,923,467.84	2,473,725,389.38
Total profit (total loss)	2,428,189,592.37	(53,701,232.54)	(419,081,715.89)	(308,523,236.91)	1,646,883,407.03
Income tax expenses	520,724,580.84	40,373,614.61	(99,859,913.16)		461,238,282.29
Net profit (net loss)	1,907,465,011.53	(94,074,847.15)	(319,221,802.73)	(308,523,236.91)	1,185,645,124.74
Total assets	42,115,751,413.82	17,602,193,862.00	9,661,956,886.18	1,909,248,251.25	71,289,150,413.25
Total liabilities	26,716,023,167.67	6,907,278,007.18	2,565,519,683.94	3,047,847,544.29	39,236,668,403.08
Long-term equity investments in associates and joint ventures	10,775,680,774.77	5,162,190,718.21	3,717,351,709.90	–	19,655,223,202.88
Amount of non-current assets (exclusive of financial assets, long-term equity investments, and deferred tax assets)	24,525,580,628.54	8,203,084,425.71	146,052,902.62	1,900,345,280.19	34,775,063,237.06

XIV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segment (Continued)

2024

RMB

Item	Toll road	Environmental protection	Others	Unallocated	Total
Revenue from external customers	5,053,338,436.13	1,409,037,680.12	2,783,315,371.02	–	9,245,691,487.27
Cost of services	2,613,870,354.46	1,223,216,827.79	2,487,311,732.34	–	6,324,398,914.59
Interest income	45,923,319.20	1,042,972.43	14,765,127.86	13,082,490.89	74,813,910.38
Interest expenses	89,850,419.31	180,965,455.24	789,000,678.46	–	1,059,816,553.01
Income from investment in associates and joint ventures	491,961,714.41	124,004,791.74	235,170,003.54	–	851,136,509.69
Credit impairment gains (losses)		(209,087,983.52)	9,315,694.44	–	(199,772,289.08)
Gains (losses) on impairment of assets	–	(333,760,347.49)	(50,513,916.31)	–	(384,274,263.80)
Gains (losses) on disposal of assets	638,358.16	13,405.51	8,186,253.09	(8,303.98)	8,829,712.78
Depreciation and amortization expenses	1,649,616,278.58	491,733,355.67	93,293,906.36	75,751,026.55	2,310,394,567.16
Total profit (total loss)	2,474,655,726.80	(580,003,780.05)	165,840,128.55	(302,065,663.01)	1,758,426,412.29
Income tax expenses	541,303,231.33	49,867,680.05	(50,957,435.12)	–	540,213,476.26
Net profit (net loss)	1,933,352,495.47	(629,871,460.10)	216,797,563.67	(302,065,663.01)	1,218,212,936.03
Total assets	37,740,086,289.28	18,183,692,898.41	9,654,981,733.98	1,979,270,026.91	67,558,030,948.58
Total liabilities	26,975,852,701.39	8,321,488,156.72	2,446,501,107.36	2,612,618,273.72	40,356,460,239.19
Long-term equity investments in associates and joint ventures	10,843,363,590.78	5,215,802,222.20	3,696,217,404.24	–	19,755,383,217.22
Amount of non-current assets (exclusive of financial assets, long-term equity investments, and deferred tax assets)	11,930,858,032.17	8,757,453,975.30	13,275,214,394.08	1,893,968,284.39	35,857,494,685.94

(3) Other descriptions

The Group's revenue from external customers and the non-current assets other than financial assets and deferred tax assets are all derived from the PRC.

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Accounts receivable disclosed by aging

RMB

Aging	31 December 2025	31 December 2024
Within 1 year	**52,987,970.15**	30,538,642.65
1 to 2 years	**20,291,455.21**	39,901,940.57
2 to 3 years	**29,697,167.74**	–
Over 3 years	**4,838,866.44**	4,838,866.44
Total	**107,815,459.54**	75,279,449.66

(2) Accounts receivable disclosed by method of bad debt provision

RMB

	31 December 2025					31 December 2024				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on a portfolio basis according to credit risk characteristics										
Portfolio I	**89,947,124.34**	**83.43**	**–**	**–**	**89,947,124.34**	65,672,136.17	87.24	–	–	65,672,136.17
Portfolio IV	**17,868,335.20**	**16.57**	**–**	**–**	**17,868,335.20**	9,607,313.49	12.76	–	–	9,607,313.49
Total	**107,815,459.54**	**100.00**	**–**	**–**	**107,815,459.54**	75,279,449.66	100.00	–	–	75,279,449.66

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3) Top five accounts receivable and contract assets categorized by debtor

RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Coastal Company	58,220,639.85	–	58,220,639.85	27.54	–
Const. & Dvpt Company	–	55,565,163.59	55,565,163.59	26.28	–
Shenzhen Ecology and Environment Bureau	–	30,869,888.74	30,869,888.74	14.60	–
Outer Ring Company	19,222,168.05	–	19,222,168.05	9.09	–
Shenzhen Transport Public Facilities Construction Center	–	14,614,939.05	14,614,939.05	6.91	–
Total	**77,442,807.90**	**101,049,991.38**	**178,492,799.28**	**84.42**	**–**

2. Other receivables

2.1 Presentation of other receivables

RMB

Item	31 December 2025	31 December 2024
Dividends receivable	–	431,020,860.00
Other receivables	**1,719,794,681.33**	3,362,777,219.56
Total	**1,719,794,681.33**	3,793,798,079.56

2.2 Dividends receivable

(1) Dividends receivable

RMB

Investee	31 December 2025	31 December 2024
Outer Ring Company	–	265,000,000.00
Mei Wah Company	–	106,020,860.00
Meiguan Company	–	60,000,000.00
Total	–	431,020,860.00

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Dividends receivable (Continued)

(2) Significant dividends receivable aged over one year

As at 31 December 2025, there were no significant dividends receivable aged over one year.

2.3 Other receivables

(1) Other receivables disclosed by aging

RMB

Aging	31 December 2025	31 December 2024
Within 1 year	**1,249,161,776.76**	1,251,474,812.53
1 to 2 years	**20,250,556.85**	1,497,641,000.63
2 to 3 years	**101,477,375.67**	249,755,229.79
Over 3 years	**348,904,972.05**	363,906,176.61
Sub-total	**1,719,794,681.33**	3,362,777,219.56
Less: Bad debt provision for other receivables	**–**	–
Total	**1,719,794,681.33**	3,362,777,219.56

(2) Other receivables analyzed by nature

RMB

Nature	31 December 2025	31 December 2024
Receivables from subsidiaries for financial assistance	**1,516,803,303.78**	3,227,067,757.29
Advances receivable	**189,654,435.80**	127,698,608.59
Others	**13,336,941.75**	8,010,853.68
Total	**1,719,794,681.33**	3,362,777,219.56

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.3 Other receivables (Continued)

(3) Top five other receivables categorized by debtor

RMB

Name of entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Outer Ring Company	1,092,417,274.64	63.52	Borrowings receivable, advances receivable	Within 1 year	–
Nanjing Wind Power	333,067,799.89	19.37	Borrowings receivable	Over 3 years	–
Guangming Environment Technology	123,594,451.12	7.19	Borrowings receivable, advances receivable	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	–
Mei Wah Company	40,475,719.76	2.35	Advances receivable	2 to 3 years	–
Operation Development Company	38,925,623.30	2.26	Advances receivable	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	–
Total	**1,628,480,868.71**	**94.69**			–

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

(1) Details of long-term equity investments

RMB

Investee	1 January 2025	Changes for the year								31 December 2025	Closing balance of provision for impairment
		Additions	Reductions	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others		
Associates and joint ventures:											
Yangmao Company	840,603,301.52	–	–	50,738,509.49	–	–	(78,878,968.20)	–	–	**812,462,842.81**	–
United Land Company	732,747,626.53	–	–	(30,500,063.91)	–	–	–	–	–	**702,247,562.62**	–
E Fund – Shenzhen Expressway REITs (code: 508033)	750,659,862.55	–	–	23,328,269.15	–	–	(91,752,000.00)	–	–	**682,236,131.70**	–
Nanjing Third Bridge Company	464,833,892.23	–	–	50,388,034.37	–	–	(60,810,754.09)	–	–	**454,411,172.51**	–
GZ W2 Company	371,302,955.80	–	–	53,955,466.77	–	–	(51,885,100.00)	–	–	**373,373,322.57**	–
Shengchuang Fund	99,518,936.60	–	(71,694,000.00)	(16,927,734.39)	–	–	–	–	–	**10,897,202.21**	–
Others	1,673,405,062.36	–	–	106,093,751.57	(5,475,482.40)	–	(21,300,000.00)	–	1,789,285.75	**1,754,512,617.28**	–
Sub-total	4,933,071,637.59	–	(71,694,000.00)	237,076,233.05	(5,475,482.40)	–	(304,626,822.29)	–	1,789,285.75	**4,790,140,851.70**	–

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(1) Details of long-term equity investments (Continued)

RMB

		Changes for the year									
Investee	1 January 2025	Additions	Reductions	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others	31 December 2025	Closing balance of provision for impairment
Investment in subsidiaries:											
Mei Wah Company	10,260,345,535.22	–	–	–	–	–	–	(373,893,131.20)	–	**9,886,452,404.02**	373,893,131.20
Outer Ring Company	6,500,000,000.00	1,580,000,000.00	–	–	–	–	–	–	–	**8,080,000,000.00**	–
Environment Company	5,650,000,000.00	900,000,000.00	–	–	–	–	–	–	–	**6,550,000,000.00**	–
New Energy Company	2,161,250,000.00	–	–	–	–	–	–	–	–	**2,161,250,000.00**	–
Coastal Company	1,787,939,407.88	–	–	–	–	–	–	–	–	**1,787,939,407.88**	–
Qinglian Company	1,072,668,891.00	–	–	–	–	–	–	–	–	**1,072,668,891.00**	678,765,149.21
Expressway Investment	1,000,000,000.00	–	–	–	–	–	–	–	–	**1,000,000,000.00**	–
Financial Leasing Company	678,193,419.87	–	–	–	–	–	–	–	–	**678,193,419.87**	–
Meiguan Company	521,260,142.34	–	–	–	–	–	–	–	–	**521,260,142.34**	–
Infrastructure Environment Protection Development Company	236,964,077.66	–	–	–	–	–	–	(12,200,000.00)	–	**224,764,077.66**	108,429,424.09
Guangming Environmental Technology	200,000,000.00	–	–	–	–	–	–	–	–	**200,000,000.00**	–
Longda Company	103,816,567.61	–	–	–	–	–	–	–	–	**103,816,567.61**	–
Qinglong Company	101,477,197.16	–	–	–	–	–	–	–	–	**101,477,197.16**	–
Operation Development Company	33,325,000.01	–	–	–	–	–	–	–	–	**33,325,000.01**	–
Shenchang Company	33,280,762.94	–	–	–	–	–	–	–	–	**33,280,762.94**	–
Construction and Development Company	30,000,000.00	–	–	–	–	–	–	–	–	**30,000,000.00**	–
Fund Company	10,000,000.00	–	–	–	–	–	–	–	–	**10,000,000.00**	–
Shenzhen Expressway Business	4,000,000.00	–	–	–	–	–	–	–	–	**4,000,000.00**	–
Expressway Digital Technology	2,550,000.00	–	–	–	–	–	–	–	–	**2,550,000.00**	–
Yichang Operation & Management	2,300,000.00	–	–	–	–	–	–	–	–	**2,300,000.00**	–
Baotou Nanfeng	1,280,900.27	–	–	–	–	–	–	–	–	**1,280,900.27**	–
Sub-total	30,390,651,901.96	2,480,000,000.00	–	–	–	–	–	(386,093,131.20)	–	**32,484,558,770.76**	1,161,087,704.50
Total	35,323,723,539.55	2,480,000,000.00	(71,694,000.00)	237,076,233.05	(5,475,482.40)	–	(304,626,822.29)	(386,093,131.20)	1,789,285.75	**37,274,699,622.46**	1,161,087,704.50

Note: The detailed information about investment in associates and joint ventures is set out in Note V, 13.

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(2) Impairment testing of long-term equity investments

The recoverable amount is determined at the present value of the expected future cash flows

RMB

Item	Carrying amount	Recoverable amount	Amount of impairment	Projection period	Key parameters for projection period (growth rate, profit margins, etc.)	Basis to determine parameters for projection period	Key parameters for steady period (growth rate, profit margins, discount rate, etc.)	Basis to determine the key parameters for steady period
Mei Wah Company	10,260,345,535.22	9,886,452,404.02	373,893,131.20	Note V, 20 – Note 2				

4. Operating income and cost of services

RMB

Item	2025 Income	2025 Cost	2024 Income	2024 Cost
Main businesses	**1,257,139,832.76**	**366,268,610.24**	1,217,027,691.41	397,154,787.54
Other businesses	**848,900,076.78**	**779,980,854.40**	955,182,683.39	861,314,169.95
Total	**2,106,039,909.54**	**1,146,249,464.64**	2,172,210,374.80	1,258,468,957.49

5. Investment income

RMB

Item	2025	2024
Income from long-term equity investments under the cost method	**870,705,445.78**	898,649,400.47
Income from long-term equity investments under the equity method	**237,076,233.05**	358,112,888.34
Investment income from other non-current financial assets	**12,390,564.24**	18,610,822.02
Investment income (loss) from disposal of equity	**(1,535,393.96)**	127,449,491.52
Investment income from financial products	**603,964.06**	1,787,671.23
Total	**1,119,240,813.17**	1,404,610,273.58

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Gains (losses) on impairment of assets

RMB

Item	2025	2024
Impairment losses of long-term equity investments	**(386,093,131.20)**	(96,229,424.09)
Total	**(386,093,131.20)**	(96,229,424.09)

Supplementary Information

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS FOR THE CURRENT PERIOD

RMB

Item	Amount
Profit or loss on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	1,167,079.27
Government grants recognized in profit or loss (other than government grants which are closely related to the Company's business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	31,698,241.59
Profit or loss on changes in fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on disposal of financial assets and financial liabilities, other than those used in the effective hedging activities relating to normal operating business	94,015,371.64
Other non-operating income or expenses other than the above	(37,590,570.16)
Less: Tax effects	52,988,380.62
Effects attributable to minority interests	11,008,686.58
Total	25,293,055.14

Basis for preparation of the breakdown of non-recurring profit or loss

According to the *Explanatory Announcement on Information Disclosure by Companies Making Public Offering of Securities No. 1 – Non-Recurring Profit or Loss (Revised in 2023)* issued by China Securities Regulatory Commission, non-recurring profit or loss arises from transactions or events that are not directly related to the normal business operations, or transactions or events that are related to normal business operations but are so extraordinary that would have an impact on users of the financial statements when making proper judgments on the performance and profitability of the Company.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

The return on net assets and earnings per share have been prepared by Shenzhen Expressway Corporation Limited in accordance with the *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share* (revised in 2010) issued by China Securities Regulatory Commission.

RMB

		Earnings per share	
Profit for the reporting period	Weighted average return on net assets (%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	4.86	0.429	0.429
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	4.74	0.418	0.418

Company Information

I. Company Profile

Registered name	深圳高速公路集團股份有限公司
Chinese abbreviation	深高速
English name	Shenzhen Expressway Corporation Limited
English abbreviation	SZEW
Legal representative	Xu En Li

II. Contact Information

	Secretary of the Board	Securities officer
Name	ZHAO Gui Ping	GONG Xin, XIAO Wei
Contact address	46/F, Hanking Centre, 9968 Shennan Avenue, Nanshan District, Shenzhen	
Telephone	(86) 755-8669 8069; (86) 755-8669 8065	
Fax	(86) 755-8669 8002	
E-mail	secretary@sz-expressway.com	

III. General Information

Registered address	Fumin Toll Station, Fucheng Street, Longhua District, Shenzhen (Postal Code: 518110)
Place of business	46/F, Hanking Centre, No. 9968 Shennan Avenue, Nanshan District, Shenzhen (Postal Code: 518057)
Website	http://www.sz-expressway.com H-share market website of the Company: https://expressway.aconnect.com.hk
E-mail	ir@sz-expressway.com
Principal place of business in Hong Kong	Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong Tel: (852) 2543 0633 Fax: (852) 2543 9996

IV. Information Disclosure and Site for Inspection

Designated publication newspaper	Shanghai Securities News, Securities Times, China Securities Journal, Securities Daily (for A Shares only)	
Designated publication website	http://www.sse.com.cn http://www.hkexnews.hk https://expressway.aconnect.com.hk	
Annual report available at	PRC:	46/F Hanking Centre Tower, No. 9968 Shennan Avenue, Nanshan District, Shenzhen
	Hong Kong:	Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong

V. Security Profile

Type of securities	Listing exchange	Abbreviation	Security code
A Share	The Shanghai Stock Exchange	Shenzhen Expressway	600548
H Share	The Stock Exchange of Hong Kong Limited	Shenzhen Expressway	00548

VI. Other Information

Auditor	Deloitte & Hua Yong LLP 30/F Bund Centre, No.222 Yan An Road East, Huang Pu District, Shanghai Signatory accountants: HUANG Tianyi, ZHU Wenqi
The sponsor performing persistent supervision duties in the reporting period	CITIC Securities Co., Ltd. CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen Signed Sponsoring Representatives: Chen Caiquan, Zhang Qianyu
Hong Kong legal adviser	Loong & Yeung, Solicitors Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong
Domestic share registrar and transfer office	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 South Yanggao Road, Pudong New District, Shanghai
Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong

VII. Project Information (as at 31 December 2025)

Toll highway	Interest held by the Company	Location	Toll mileage (km)	No. of lanes	Status
Meiguan Expressway	100%	Shenzhen	5.4	8	Under operation
Jihe East	100%	Shenzhen	23.7	6	Under operation
Jihe West	100%	Shenzhen	21.8	6	Under operation
Shuiguan Expressway	50%	Shenzhen	20.0	10	Under operation
Shuiguan Extension	40%	Shenzhen	6.3	6	Under operation
Coastal Project(1)	100%	Shenzhen	36.6	8	Under operation
Outer Ring Project(2)	100%	Shenzhen	76.8	6	Outer Ring Phase I&II: under operation Outer Ring Phase III: under construction
Longda Expressway	89.93%	Shenzhen	4.4	6	Under operation
Yangmao Expressway	25%	Guangdong	79.8	8	Under operation
GZ W2 Expressway	25%	Guangdong	40.2	6	Under operation
Qinglian Expressway	76.37%	Guangdong	216.0	4	Under operation
Yichang Project	40%	Hunan	78.3	4	Under operation
Changsha Ring Road	51%	Hunan	34.7	4	Under operation
Nanjing Third Bridge	35%	Jiangsu	15.6	6	Under operation
GZ West Expressway	50%	Guangzhou, Foshan, Zhongshan	98.0	6	Under operation
GS Expressway	45%	Shenzhen, Dongguan, Guangzhou	122.8	6	Under operation

Note:

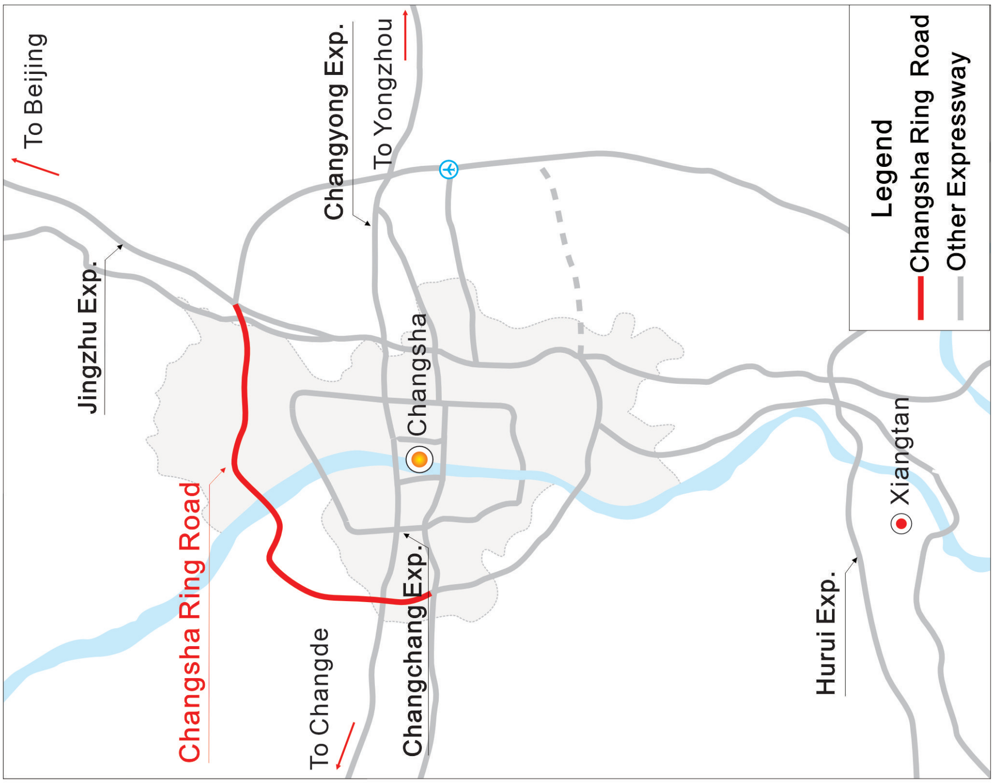
(1) During the Reporting Period, the investment and construction of approximately 16.8 km of Outer Ring Phase III (Kengzi to Dapeng Section) is still in progress. For details, please refer to the announcement of the Company dated 14 July 2023.

(2) For detailed information of above projects, please refer to the website of the Company at http://www.sz-expressway.com.

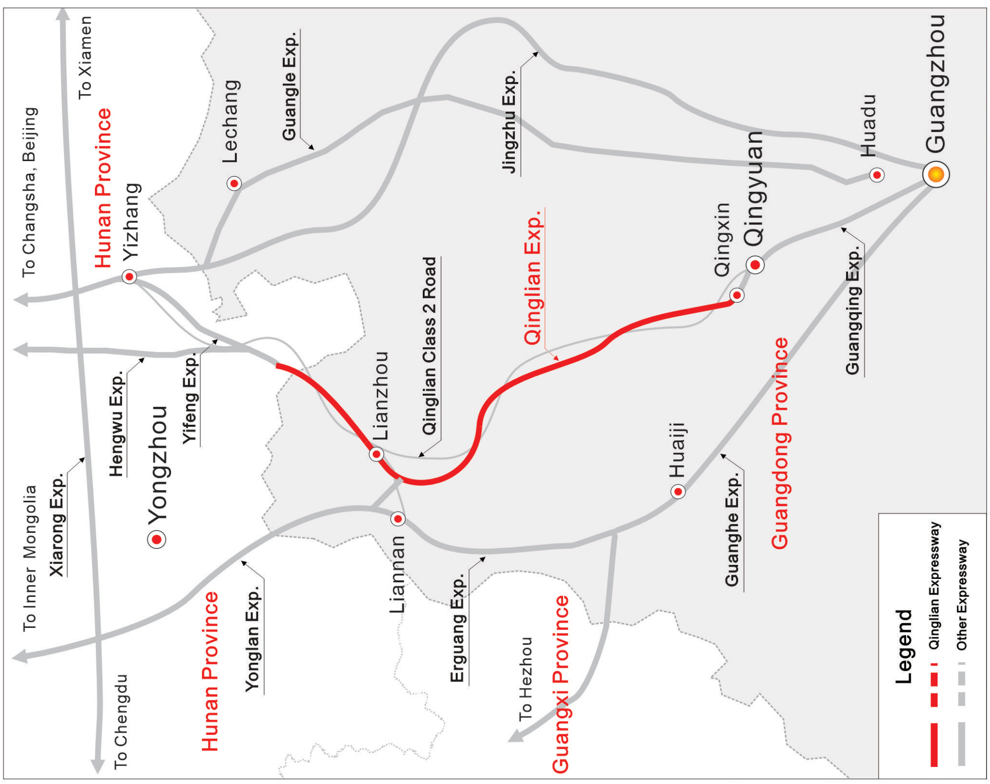
Road Network of Shenzhen

Road Network of Pearl River Delta

Road Network of Changsha Ring Road



Road Network of Qinglian Expressway



- *Unless otherwise stated, the amounts stated in this report are in RMB.*
- *The total of breakdown and the total may not equal in mantissa due to rounding.*

深圳高速公路集團股份有限公司
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