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

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Qilu Expressway Company Limited (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2026. This interim results announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany the preliminary announcement of interim results of a listed issuer and has been reviewed by the audit committee of the Company.

The 2026 Interim Report will be published on the HKEXnews website at www.hkexnews.hk and the website of the Company at www.qlecl.com and will be dispatched to the shareholders of the Company who have indicated their wish to receive a printed copy in due course.

By order of the Board
Qilu Expressway Company Limited
Li Tianzhang
Chairman

Shandong, the PRC
26 August 2026

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

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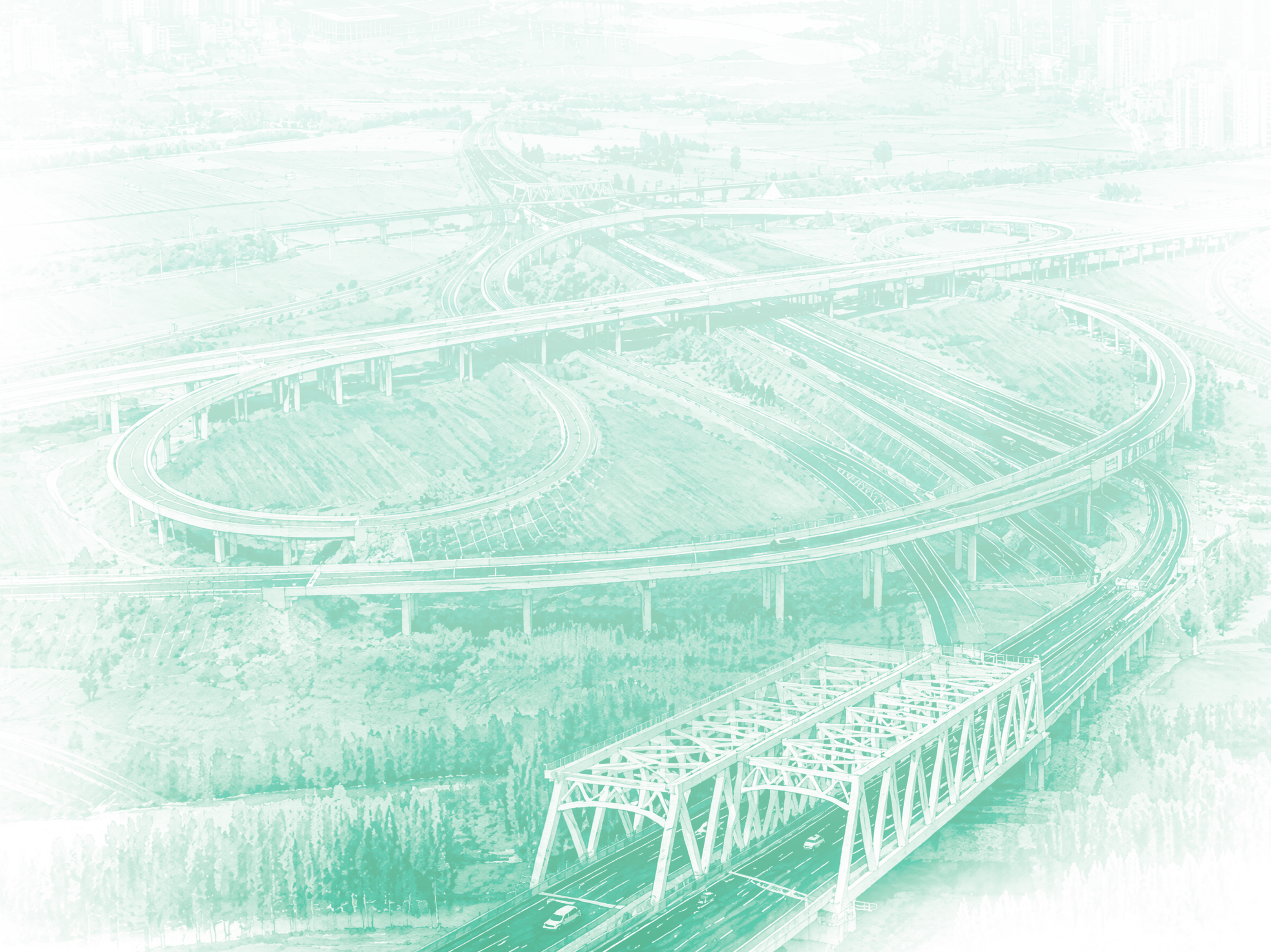

Definitions

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

"Advertisement Business"	the business of the Group in relation to the leasing of advertisement billboards built along the Jihe Expressway and the provision of the advertisement publication services on those advertisement billboards
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"China", "PRC" or "State"	the People's Republic of China, which for the purpose of this report, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
"Company"	Qilu Expressway Company Limited (齊魯高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01576)
"Company Law"	Company Law of the People's Republic of China (《中華人民共和國公司法》)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Deshang and Shennan Expressways"	collectively, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway
"Deshang Expressway (Liaocheng – Fan County section)"	an expressway running from West Ring Expressway of Liaocheng City, Shandong Province to the intersection of Gucheng Town of Shen County and Yancunpu Town of Fan County (Shandong-Henan boundary), and connecting to the Fan County section of the Deshang Expressway in Henan Province, with a total length of approximately 68.942 kilometers
"Director(s)"	director(s) of the Company
"ETC"	electronic toll collection system to collect tolls electronically by using automatic vehicle identification technology without the need for vehicles to stop for payment
"Expressway Business"	our business in relation to maintenance, operation and management of the Jihe Expressway, the Deshang and Shennan Expressways
"Group", "us" or "we"	the Company and, except where the context otherwise requires, shall include the Company and all of its subsidiaries

"H Share(s)" or "Share(s)"	overseas listed foreign invested ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which were listed and traded on the Stock Exchange
"H Shareholder(s)" or "Shareholder(s)"	holder(s) of Share(s)
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards (including HKASs and Interpretations) issued by HKICPA
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jihe Expressway"	Jinan (濟南) to Heze (菏澤) Expressway, the expressway running through nine districts/counties under four cities from Jinan City to Heze City in Shandong Province, with a total length of approximately 153.6 kilometres
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Qilu Energy Tecchnology"	Qilu Expressway (Shandong) Energy Technology Company Limited (齊魯高速(山東)能源科技有限公司), a limited liability company established under the laws of the PRC and a non-wholly-owned subsidiary of the Company as at the date of this report
"Qilu Expressway (Hong Kong)"	Qilu Expressway (Hong Kong) Company Limited (齊魯高速(香港)有限公司), a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"Qilu Expressway Assembly"	Qilu Expressway (Shandong) Assembly Company Limited (齊魯高速(山東)裝配有限公司), a limited liability company established under the laws of the PRC, and a subsidiary held by the Company through Qilu Expressway (Hong Kong) as to 60% of its equity interest as at the date of this report
"R&E Project"	the Jihe Expressway reconstruction and expansion project
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	the six months ended 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time

Definitions

"Shandong 12-8-11 Expressway Network (Layout)"	the layout of the Shandong provincial expressway network with a main framework of "twelve-vertical; eight-traverse and eleven-radians (十二縱八橫十一射)" under the Notice of the People's Government of Shandong Province on Issuing the Comprehensive Three-dimensional Transportation Network Planning Outline for Shandong Province (2023-2035) (《山東省人民政府關於印發山東省綜合立體交通網規劃綱要(2023-2035年)的通知》) issued by the Shandong Provincial Government
"Shandong Gangtong Construction"	Shandong Gangtong Construction Co., Ltd.* (山東港通建設有限公司), a company established under the laws of the PRC with limited liability and a wholly owned subsidiary of the Company as at the date of this report
"Shandong Hi-Speed"	Shandong Hi-speed Company Limited (山東高速股份有限公司), a joint-stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600350.SH), directly holding approximately 38.93% of the total issued Shares of the Company as at the date of this report, and a Controlling Shareholder of the Company
"Shandong Hi-Speed Group"	Shandong Hi-Speed Group Company Limited (山東高速集團有限公司), a limited liability company established in the PRC, indirectly holding approximately 38.93% of the total issued Shares through its subsidiary Shandong Hi-Speed as at the date of this report, and a Controlling Shareholder of the Company
"Shandong Provincial Government"	People's Government of Shandong Province, China (中國山東省人民政府)
"Shandong Shunguang Industrial"	Shandong Shunguang Industrial Development Company Limited (山東舜廣實業發展有限公司), a limited liability company incorporated under the laws of the PRC, a wholly-owned subsidiary of the Company as at the date of this report
"Shandong Transport Department"	Shandong Provincial Traffic Transport Department (山東省交通運輸廳)
"Shennan Expressway"	an expressway running from the K150+400 point of Deshang Expressway at the south of Beixuzhuang Village, Shen County, Shandong Province, the PRC, and connecting to the Henan-Shandong Boundary-Nanle section of Nanlin Expressway in Henan Province at the east bank of the Tuhai River in the south of Xiduantun Village, with a total length of approximately 18.267 kilometers
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"%"	per cent

Corporate Information

REGISTERED NAME OF THE COMPANY

In Chinese: 齊魯高速公路股份有限公司
In English: Qilu Expressway Company Limited

LEGAL REPRESENTATIVE

Mr. Li Tianzhang

BOARD OF DIRECTORS

(1) Executive Directors

Mr. Li Tianzhang *(Chairman of the Board)*
Mr. Duan Peng
Mr. Chen Xiulin

(2) Non-executive Directors

Mr. Gao Yongjun *(Vice Chairman of the Board)*
Ms. Kong Xia
Mr. Wang Gang
Mr. Shi Jinglei
Mr. Du Zhongming
Mr. Ren Wei
Mr. Wang Hongyi

(3) Independent Non-executive Directors

Mr. Liu Hongwei
Mr. He Jiale
Mr. Wang Lingfang
Mr. Leng Ping
Ms. Shen Chen

BOARD COMMITTEES

(1) Audit Committee

Mr. He Jiale *(Chairman)*
Mr. Shi Jinglei
Mr. Liu Hongwei

(2) Remuneration and Appraisal Committee

Mr. Liu Hongwei *(Chairman)*
Mr. Wang Lingfang
Mr. Leng Ping

(3) Nomination Committee

Mr. Li Tianzhang *(Chairman)*
Mr. Wang Lingfang
Mr. Leng Ping
Ms. Shen Chen

(4) Strategy Committee

Mr. Li Tianzhang *(Chairman)*
Mr. Gao Yongjun
Mr. Duan Peng
Ms. Kong Xia
Mr. Wang Gang

COMPANY SECRETARY

Mr. Shi Wenjiang

AUTHORISED REPRESENTATIVES

Mr. Li Tianzhang
Mr. Shi Wenjiang

Corporate Information

INTERNATIONAL AUDITOR

SHINEWING (HK) CPA Limited
17/F
Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay, Hong Kong

DOMESTIC AUDITOR

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Central, Hong Kong

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High-tech Zone, Jinan City
Shandong Province, the PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Zone 3, Hanyu Financial & Business Centre
No. 7000, Jingshi East Road
High-tech Zone, Jinan City
Shandong Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

China Construction Bank Corporation, Jinan Changqing Sub-branch
China Merchants Bank Co. Ltd., Jinan Kaiyuan Sub-branch
Bank of China Limited, Jinan Shungeng Sub-branch
Bank of China (Hong Kong) Limited
Shanghai Pudong Development Bank Co., Ltd., Jinan Heping Road Sub-branch
Agricultural Bank of China Limited, Jinan Yinhe Sub-branch
Industrial and Commercial Bank of China Limited, Jinan Centre Sub-branch
Bank of Communications Co., Ltd., Jinan Long'ao Sub-branch
China Development Bank, Shandong Branch
The Export-Import Bank of China, Shandong Branch
Qilu Bank Co., Ltd., Jinan Dianliu Sub-branch
China Zheshang Bank Co., Ltd., Jinan Branch

H SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

COMPANY WEBSITE

www.qlecl.com

STOCK CODE

01576

FINANCIAL REVIEW

Operations

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

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

In addition, the Company actively advanced the close-out work following the opening to traffic of the R&E Project of Jihe Expressway during the Reporting Period. Relevant work, including the construction of the "Three Modifications" (i.e. modification of roads, ditches and canals) and the implementation of flood control remedial works, was progressing in an orderly manner. The Group recognised income from construction business through the R&E Project. For details, please refer to the sub-section headed "Business Review – Construction Business and Sale of Industrial Products" under this section.

Revenue

During the Reporting Period, the Group recorded a revenue of approximately RMB1,112,809,000, representing an increase of approximately 4.25% as compared with that of approximately RMB1,067,397,000 for the corresponding period of last year. The increase in revenue was mainly due to a stable release of the production capacity of the Company's wind power hybrid tower industrial base project.

Expressway

During the Reporting Period, revenue from the Expressway Business amounted to approximately RMB788,261,000, representing a decrease of approximately 4.12% as compared with that of approximately RMB822,091,000 for the corresponding period of last year. During the Reporting Period, the Group recorded toll income from the Jihe Expressway of approximately RMB594,429,000, representing a decrease of approximately 2.70% as compared with that of approximately RMB610,931,000 for the corresponding period of last year, while the toll income from the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway was approximately RMB193,832,000, representing a decrease of approximately 8.21% as compared with that of approximately RMB211,160,000 for the corresponding period of last year.

Traffic volume on the Jihe Expressway during the Reporting Period increased by approximately 0.65% from approximately 76,800 vehicles per day for the six months ended 30 June 2025 to approximately 77,300 vehicles per day during the Reporting Period. Traffic volume on the Deshang Expressway (Liaocheng – Fan County section) decreased by approximately 3.43% from approximately 46,700 vehicles per day for the six months ended 30 June 2025 to approximately 45,100 vehicles per day during the Reporting Period, while the traffic volume on the Shennan Expressway increased by 30.49% from approximately 8,200 vehicles per day for the six months ended 30 June 2025 to approximately 10,700 vehicles per day during the Reporting Period. The above changes in toll income and traffic volume were mainly attributable to the closure of the Changqing-Beijing-Taipei Expressway intersect of the Jihe Expressway to Beijing during the construction of the Yinjialin ramp leading to a decrease in long-haul passenger vehicle traffic and an increase in short-haul passenger vehicle traffic. Driven by the diversion of certain vehicle traffic from Deshang Expressway (Liaocheng – Fan County section) caused by the opening of Dongyang Expressway, there had been a considerable decrease in the vehicle traffic and therefore lead to an increase in vehicle traffic along the Shennan Expressway. For further details of the change in traffic volume of the above expressways during the period, please refer to the sub-section headed "Business Review – Expressway Business" under this section.

Construction and others

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

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

During the Reporting Period, the Group recognised revenue from the construction business and sales of industrial products related to construction of approximately RMB321,804,000, representing an increase of approximately 32.47% as compared with that of approximately RMB242,931,000 for the corresponding period of last year, which was mainly attributable to the stable release of production capacity in the Company's wind power hybrid tower business. For details of the construction business, please refer to the sub-section headed "Business Review – Construction and Other Business – Construction Business and Sale of Industrial Products" under this section.

Rental Income

During the Reporting Period, the Group recorded the rental income of approximately RMB2,744,000, representing an increase of approximately 15.54% from that of RMB2,375,000 for the corresponding period of last year. The increase was mainly attributable to the significant increase in rental income as a result of the resume of advertisement billboards along both sides of the road following construction and opening of the R&E Project of Jihe Expressway. The rental income mainly represented the service income arising from leasing of the advertisement billboards along both sides of the Jihe Expressway of approximately RMB1,696,000 (representing an increase of approximately 7.14% from that of approximately RMB1,583,000 for the corresponding period of last year), and the rental income from the leasing of communication signal transmission pipelines along the expressways and investment properties of approximately RMB1,048,000 (representing an increase of approximately 32.32% from that of RMB792,000 for the corresponding period of last year).

Cost of Sales and Gross Profit

During the Reporting Period, the cost of sales and gross profit of the Group were approximately RMB716,043,000 and RMB396,766,000 respectively, as compared to those of approximately RMB651,773,000 and RMB415,624,000 for the corresponding period of last year, representing an increase of approximately 9.86% and a decrease of approximately 4.54%, respectively. Gross profit margin of the Group was approximately 35.65% for the Reporting Period, representing a year-on-year decrease of approximately 3.29 percentage points as compared with that of approximately 38.94% for the corresponding period of last year. The cost of sales of the Group during the Reporting Period was mainly incurred from the amortisation of intangible assets, staff costs, construction costs, industrial product costs and maintenance costs and provisions for the Jihe Expressway, Deshang Expressway (Liaocheng – Fan County section) and Shennan Expressway. During the Reporting Period, there was a significant increase in the cost of sales as compared with that for the corresponding period of last year, mainly because the cost of industrial products sold increased in line with the increase in revenue, while a decline in toll income resulted in a decrease in gross profit and gross profit margin as compared with that for the corresponding period last year.

Other Income and Gains

During the Reporting Period, the Group recorded other income and gains of approximately RMB30,988,000, which mainly comprised gains on investment, bank interest income and income from road damage compensation. The year-on-year decrease of approximately 25.93% in other income and gains from approximately RMB41,836,000 for the corresponding period of last year was primarily due to a decrease in income resulting from the maturity of the Company's investment projects.

Administrative Expenses

During the Reporting Period, administrative expenses from the Group's operations were approximately RMB42,025,000, representing a decrease of approximately 15.45% as compared to that of approximately RMB49,702,000 for the corresponding period of last year. Such decrease was mainly attributable to a remarkable achievement in cost reduction and efficiency enhancement of the Company during the Reporting Period. The administrative expenses of the Group mainly comprised salaries and wages, depreciation of property, plant and equipment, transportation expenses and professional fees.

Impairment Losses on Financial Assets and Contract Assets

During the Reporting Period, the impairment losses on financial assets and contract assets were approximately RMB1,097,000, representing a decrease of approximately 249.25% as compared with the reversal of impairment of approximately RMB735,000 for the corresponding period of last year, which was primarily due to the provision for impairment loss on contract assets.

Other Expenses

During the Reporting Period, the other expenses of the Group were approximately RMB1,237,000, representing an increase of approximately 185.68% as compared to approximately RMB433,000 for the corresponding period of last year, which was mainly due to the recognition of exchange losses during the Reporting Period.

Finance Costs

During the Reporting Period, the finance costs of the Group were approximately RMB123,470,000, representing a decrease of approximately 12.65% as compared to approximately RMB141,346,000 for the corresponding period of last year, which was primarily attributable to the decrease in interest rates on bank loans.

Share of Profits and Losses of an Associate and Joint Ventures

During the Reporting Period, the Group's share of profit of an associate and joint ventures was approximately RMB165,000 (share of loss for the corresponding period of last year: approximately RMB135,000), representing the share of profit of the Group's associate and joint ventures during the Reporting Period accounted for under the equity method of accounting.

On 14 March 2025, Shandong Hi-Speed Energy Development Co., Ltd. ("Shandong Hi-Speed Energy Development") and Qilu Expressway (Hong Kong) Company Limited ("Qilu Hong Kong") entered into an investment and cooperation agreement, pursuant to which Shandong High-Speed Ludong New Energy Co., Ltd. ("Ludong New Energy") was established with the committed capital contribution of RMB110 million, of which Shandong Hi-Speed Energy Development and Qilu Hong Kong shall commit to contributing in cash of RMB56.1 million and RMB53.9 million, respectively. During the Reporting Period, Ludong New Energy had total assets of approximately RMB366,339,460, net assets of approximately RMB110,000,000 and net profit of approximately RMB0 thousand. During the Reporting Period, Ludong New Energy actively organized various construction units to complete construction tasks, such as the equipment installation for the energy storage power station, on schedule. The pile-driving construction works in the energy storage area and the step-up substation area have been fully completed, with a 100% completion rate for both the low strain tests and the static load tests. Across the seven construction zones comprised in the energy storage area, foundation construction, cushion layer pouring, gravel laying, and equipment hoisting have all been completed. Works such as wiring and individual equipment commissioning were also completed on schedule, and the project successfully passed the quality acceptance by the Renewable Energy Power Generation Project Quality Supervision Station (可再生能源發電工程質量監督站) and the grid connection acceptance by Weihai Power Supply Company (威海供電公司). Following the grid connection, the provincial and municipal commissioning requirements have been strictly complied with, and a series of tests were completed, including grid connection testing, rated energy testing, high and low voltage ride-through testing, and active support testing. Currently, the energy storage power station project has commenced trial operation.

Net Profit Attributable to the Parent During the Period

During the Reporting Period, the profit attributable to owners of the Company was approximately RMB194,207,000, representing a decrease of approximately 3.09% as compared to that of approximately RMB200,408,000 for the corresponding period of last year. The decrease in profit during the Reporting Period was primarily attributable to a decrease in toll income during the Reporting Period.

Liquidity and Financial Resources

During the Reporting Period, the Group financed its operations and capital expenditures with the Group's internal resources, floating-rate bank loans and borrowings from Shandong Hi-Speed Group. As at 30 June 2026, the Group had total loans of approximately RMB11,078,704,000 (as at 31 December 2025: approximately RMB10,953,614,000), a majority of which were based on floating interest rates and were denominated in RMB, and total cash and cash equivalents (including bank deposits and cash) of approximately RMB602,389,000 (as at 31 December 2025: approximately RMB229,454,000).

The Group adopts a prudent capital management policy. It also actively manages its liquidity position and maintains sufficient standby banking facilities to meet its daily operation needs and capital requirements for future development. As at 30 June 2026 and 31 December 2025, the Group's gearing ratio, as calculated by dividing net debt[(1)] by total capital[(2),] was approximately 62.92% and 63.21%, respectively.

Notes:

(1) Net debt = total borrowings – cash and cash equivalents

(2) Total capital = equity attributable to owners of the Company + net debt

Pledge of Assets and Contingent Liabilities

As at 30 June 2026, the Group's toll collection rights in respect of the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway were pledged to secure a bank loan granted by a financing bank for the related construction project financing. As of 30 June 2026, the net carrying amount of the toll collection rights in respect of (i) the Deshang Expressway (Liaocheng – Fan County section) and (ii) the Shennan Expressway was approximately RMB1,911,513,000 and RMB708,468,000, respectively. Save as mentioned above, as at 30 June 2026, the Group had no material pledge of assets or contingent liabilities.

Employees, Remuneration Policy and Pension Plans

As at 30 June 2026, the Group had a total of 676 (as at 30 June 2025: 673) employees in the PRC, including management staff, engineers and technicians, etc. During the Reporting Period, the Group's total staff remuneration expenses were approximately RMB94,824,000 (approximately RMB92,168,000 for the corresponding period of last year).

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

Foreign Exchange Risk

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

As at 30 June 2026, the Group did not enter into any hedging arrangement to hedge against exposure in foreign currency risk. Renminbi is the presentation currency of the Company. As the Group principally operates in the PRC, and Renminbi is the currency of the primary economic environment in which the Group operates, the business of the Group is not exposed to material foreign exchange risk.

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

The Company did not have any significant investment, material acquisition or disposal of subsidiaries, associated companies or joint ventures during the Reporting Period. As at 30 June 2026, the Group did not hold any significant investment and none of each individual investment held by the Group constituted 5% or above of the total assets of the Group as at 30 June 2026.

BUSINESS REVIEW

During the Reporting Period, the Group achieved a revenue of approximately RMB1,112,809,000 representing a year-on-year increase of approximately 4.25%. The Expressway Business remained as the Group's principal business, from which revenue from the Expressway Business was approximately RMB788,261,000, representing a year-on-year decrease of approximately 4.12%. The revenue from the construction and other business was approximately RMB321,804,000, representing a year-on-year increase of approximately 32.47%. During the Reporting Period, the Group recorded profit before tax of approximately RMB259,057,000, representing a year-on-year decrease of approximately 2.38%. Profit for the year was approximately RMB194,739,000 (for the corresponding period of last year: approximately RMB198,204,000), generating earnings per share of approximately RMB0.09 (for the corresponding period of last year: approximately RMB0.10).

Expressway Business

In the first half of 2026, the Company continued to strengthen the operational management of the Jihe Expressway and the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway projects. The Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway are important components of the Shandong 12-8-11 Expressway Network, connecting to areas in Shandong Province with relatively eminent agricultural, commercial, tourism and other economic development.

The Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway recorded daily traffic volume of approximately 77,300, 45,100 and 10,700 vehicle trips, respectively, during the Reporting Period. The Group recorded a toll income of RMB612,262,000 (tax inclusive) from the Jihe Expressway during the Reporting Period, representing a decrease of approximately 2.70% from that of RMB629,259,000 for the corresponding period of last year, while the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway recorded a toll income of approximately RMB199,647,000 (tax inclusive) during the Reporting Period, representing a decrease of approximately 8.21% from that of approximately RMB217,495,000 for the corresponding period of last year.

Details of the traffic volume [1] of the above expressways are set out below:

Expressways managed by the Group during the Reporting Period	Total volume of passenger vehicle traffic during the Reporting Period ('000)	Total volume of truck and special motor vehicle traffic during the Reporting Period ('000)	Total traffic volume during the Reporting Period ('000)	Daily average traffic volume[2]
The Jihe Expressway	10,914	3,070	13,984	77,260
The Deshang Expressway (Liaocheng – Fan County section)	5,234	2,937	8,171	45,144
The Shennan Expressway	1,342	599	1,941	10,724

Notes:

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

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

① Vehicles passing the toll stations at both entrance and exit on the expressways managed by the Group;

② Vehicles passing the toll stations at entrance on the expressways not managed by the Group but passing the toll stations at exit on the expressways managed by the Group;

③ Vehicles passing the toll stations at entrance on the expressways managed by the Group but passing the toll stations at exit on the expressways not managed by the Group; and

④ Vehicles passing the expressways managed by the Group but not passing the toll stations at entrance or exit on the expressways managed by the Group.

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

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

In addition to the foregoing, the traffic volume and the corresponding toll income of the Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway during the Reporting Period were also affected by a combination of the following factors:

1. The closure of the Changqing-Beijing-Taipei Expressway intersect of the Jihe Expressway to Beijing during the construction of the Yinjialin interchange from 8 May to 30 September 2026 led to decreased toll revenue of Jihe Expressway.

2. The change in road network structure, including traffic diversion via the surrounding national and provincial highways, led to decreased toll revenue of the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway.

Toll Collection Policy

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

In addition, according to the relevant laws and regulations, certain types of vehicles are entitled to toll fee discounts and exemptions, including (i) with effect from 1 July 2019, as required by the Notice of the Shandong Provincial Transport Department on Clarifying Expressway ETC Preferential Policy (Lu Jiao Cai [2019] No. 26) (《山東省交通運輸廳關於明確高速公路ETC優惠政策的通知》(魯交財[2019]26號)), a toll fee discount of 5% is given to all ETC vehicles driving on expressways in Shandong province; (ii) the toll exemption for vehicles of the military and armed police forces and the like; (iii) the toll exemption for small passenger vehicles with 7 seats or fewer on major festivals and holidays; (iv) the toll exemption for vehicles legally fully loaded with the products within the national Catalogue of Fresh and Alive Agricultural Products (《鮮活農產品品種目錄》); (v) the toll exemption for vehicles as required by other national policies; and (vi) according to the requirements of the Notice of the Shandong Provincial Department of Transportation, Shandong Provincial Development and Reform Commission, Shandong Provincial Department of Finance on the Implementation of Expressway Toll Discount for Some Freight Cars (Lu Jiao Fa [2020] No. 10) (《山東省交通運輸廳　山東省發展和改革委員會　山東省財政廳　關於對部分貨車實行高速公路通行費折扣優惠的通知》(魯交發[2020]10 號)), from 1 September 2020, the toll discount of 15% will be implemented for freight car users who drive the expressway in our province and install ETC package equipment.

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

Construction and Other Business

Construction Business and Sale of Industrial Products

During the Reporting Period, the Group recognised revenue of approximately RMB321,804,000 from construction business and sales of industrial products. Revenue from the construction business was mainly from the construction revenue recognised from the R&E Project of the Jihe Expressway, revenue from highway construction and revenue from municipal greening services; during the Reporting Period, the Group recognised revenue of approximately RMB27,794,000 for the R&E Project of the Jihe Expressway in accordance with HKFRS 15 – Revenue from Contracts with Customers. Revenue from the sale of industrial products was mainly from the trading business of industrial products such as geotechnical materials, construction equipment and engineering materials.

Rental Income

During the Reporting Period, the Group's rental income mainly represented the revenue from the Advertisement Business and the leasing of the communication signal transmission pipelines along the expressways and the investment properties of approximately RMB2,744,000. As at the end of the Reporting Period, there were 71 billboards in normal operation along the Jihe Expressway. Rental income accounted for a relatively small proportion of the Group's revenue during the Reporting Period. Meanwhile, the Group was actively nurturing new revenue growth points for the leasing business.

PROSPECT

During the Reporting Period, the Company took pragmatic actions and concentrated its efforts to tackle challenges, solidly promoting the upgrade of its core business and industrial transformation, and maintaining an upward and positive momentum. By focusing on operations to improve quality and efficiency, the principal indicators progressed steadily and positively; by focusing on the core business to stabilise the foundation, both the quality and efficiency of operational services were enhanced; by focusing on industries to promote transformation, the release of emerging momentum was accelerated; by focusing on management to pursue innovation, vitality and efficiency steadily improved; and by focusing on Party building to consolidate strongholds, the red momentum continued to gather. The aforementioned series of initiatives has laid a solid foundation for the Company to achieve high-quality operational development and promote its long-term sustainable and healthy growth.

Next, the Company will firmly assume an active role in initiating development and work vigorously and pragmatically with a stronger sense of responsibility, greater drive, and a more practical work style, to resolutely ensure the high-quality completion of the annual operational and development tasks.

First, we will focus on the annual targets and deliver excellent results with conviction. We will calibrate our direction through comprehensive benchmarking, adhere to reviewing our past performance, evaluating against benchmarks, and looking ahead. We will proactively review our work within the overall context of the Company to pinpoint our positioning and rectify any deviations, striving to learn, catch up, and surpass others to attain advancement during the benchmark identification and comparison process. We will build synergy by collaborating, shouldering obligations, enhancing services, and pooling efforts. Anchored by the annual targets, we will forge ahead with drive to ensure the delivery of robust results. Furthermore, we will accelerate progress and advancement when overcoming difficulties. We will focus on key areas, break through bottlenecks, and manage crucial milestones. We will concentrate our efforts on tackling critical tasks, take the initiative to clear obstacles to development, and drive the swift implementation of all work streams and the swift delivery of results.

Second, we will focus on production and operations to unswervingly stabilise our business fundamentals. We will remain committed to our principal business and strive to achieve service enhancement, growth in traffic volume and an increase in operating revenue; invigorate physical operations, accelerate the fulfillment of projects on hand, draw conclusions from the experience in developing emerging businesses, improve profit margin, added value and long-term profitability of our products, and continuously explore new sources of profit; and develop our investment business, focus on our principal business to reinforce our foundation, make plans for long-term development in strategic emerging industries, optimise models to stabilise revenue, proactively change our investment philosophy to act as long-term capital, patient capital and strategic capital, and open up new scope for development through quality investments.

Third, we will focus on improving quality and efficiency and be committed to tapping into our growth potential. We will seek incremental growth from external markets and deeply explore the synergy potential within the Group. Driven by the market, we will proactively respond to demands, secure orders, and precisely position ourselves in subdivided market segments. We will continuously cultivate new businesses, develop new business models, and explore new scenarios to comprehensively explore our growth potential and elevate the quality and efficiency of our development. We will drive profitability through cost reduction and efficiency enhancement, reinforce refined management and strictly curtail expenses, and further break down the cost structure across all business lines. By centering on key businesses, focusing on critical segments, strengthening resource coordination, and perfecting cost control, we will promote the integration of cost reduction and efficiency enhancement throughout the entire value chain and across all operational scenarios. We will seek economic benefits through innovative management, empower industrial upgrades through technological innovation, and promote the deep integration of the innovation chain with the industrial chain. We will initiate specialised projects and tackle key technical challenges in major areas such as smart transportation, integration of transportation and energy, equipment manufacturing, and material research and development. Furthermore, we will drive development through management innovation, make bold breakthroughs in management philosophy, work methodologies and business models, and resolve issues and overcome obstacles with flexible tactics and pragmatic innovation.

Fourth, we will focus on internal driving forces and commit to deepening reforms in key areas. Emphasising incentives and unleashing vitality, we will strengthen the guiding role of performance appraisals, optimise distribution orientations, and establish scientific, advanced, practical, and feasible market-oriented appraisal mechanisms. This creates an atmosphere that motivates both the high performers and underperformers, mobilising the enthusiasm and creativity of our management and employees to the maximum degree. To nurture talents and strengthen our workforce, we will focus on the cultivation, discovery, and utilisation of internal talents, refine work mechanisms conducive to stimulating vitality of talents, and establish a management selection mechanism oriented towards "performance and capability". We will build talent reserve pools for middle management, core personnel, and young talents across different levels and categories. By constructing a talent structure with tiered succession and sustained momentum, we will effectively leverage the fundamental supporting role of talents, securing competitive and development advantages through our strength in talents.

Fifth, we will focus on risk prevention and control and resolutely build a solid defense for secure development. We will strive for breakthroughs in operation and management. On the one hand, we will strictly enforce full-chain risk control over operations, strictly control the admission of cooperating entities, and dynamically track project fulfillment progress and fund recovery, ensuring that risks are preventable, controllable, and traceable. On the other hand, we will systematically strengthen our capabilities in full-process investment management and control. We will refine basic investment management systems and risk prevention and control mechanisms, strengthening the closed-loop management throughout the investment process, covering pre-investment assessment, mid-investment tracking, and post-investment evaluation. Furthermore, we will make greater efforts to achieve breakthroughs in production safety by stringently ensuring safety during the flood season, deepening special rectifications in safety domains, reinforcing the construction of safety systems, and enhancing our capacity to navigate complex situations, thereby accelerating the establishment of a new paradigm for comprehensive safe development.

Management Discussion and Analysis

Sixth, we will focus on Party building and unswervingly deepen full and rigorous Party governance. We will strengthen ideological and political guidance, consciously plan and advance the development of the Company within the overall national landscape, closely follow central policies and market orientations, identify and evaluate trends, and leverage such trends for strategic planning. We will seize favourable opportunities, deeply cultivate our development advantages, and translate the Party's innovative theories into a robust driving force for promoting the high-quality development of the Company. We will build a strong fighting bastion, comprehensively optimise the setup of Party organisations, advance the standardised and regularised construction of Party organisations, and enhance the quality and efficiency of tasks including star-rating and grading, education of Party members, and organisational life, to achieve all-round progress and high standards across the board. We will fortify the line of defence against corruption and disciplinary violations, strictly ensure that political responsibilities for Party management and governance are fulfilled at all levels, step up political supervision, and ensure routine supervision. We will persistently rectify conduct, enforce discipline and combat corruption, strengthen discipline education and the fostering of a culture of integrity, create a clean, upright and enterprising working atmosphere, and transform the strengths in Party building into winning advantages for development.

In the second half of the year, the Company will pool knowledge, strength and energy, as well as enhance speed, quality and efficiency. The Company will take the right actions in the right direction to add impetus and inject vitality into the high-quality development of the Company, so as to create greater value for all Shareholders.

EVENTS AFTER THE REPORTING PERIOD

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

PUBLICATION AND DISPATCH OF INTERIM REPORT

This report is also published on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.qlecl.com), and the 2026 interim report of the Group containing all the information required by the Listing Rules will be dispatched to the Shareholders who have indicated their wish to receive a printed copy and published on the respective websites of the Company and HKEXnews in due course.

SHARE CAPITAL

As of 30 June 2026, the total issued share capital of the Company amounted to RMB2,000,000,000, totalling 2,000,000,000 H Shares with a nominal value of RMB1.00 each.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES OF THE COMPANY

As at 30 June 2026, so far as the Directors of the Company are aware, other than the Directors and senior management of the Company, the following persons had or were deemed to have an interest or short position in the Shares, underlying Shares and debentures which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Number of Shares held	Capacity	Class of Shares	Approximate percentage of the total issued share capital of the Company	Long position/ short position
Shandong Hi-Speed	778,500,000	Beneficial interest	H Shares	38.93%	Long position
Shandong Hi-Speed Group[1]	778,500,000	Interest in controlled corporation	H Shares	38.93%	Long position
COSCO SHIPPING (Hong Kong) Co., Limited	600,000,000	Beneficial interest	H Shares	30.00%	Long position
China Shipping Group Company Limited [2]	600,000,000	Interest in controlled corporation	H Shares	30.00%	Long position
China COSCO Shipping Corporation Limited [2]	600,000,000	Interest in controlled corporation	H Shares	30.00%	Long position
Cornerstone Holdings Limited	173,919,000	Beneficial interest	H Shares	8.70%	Long position
China Merchants Expressway Network & Technology Holdings Co., Ltd [3]	173,919,000	Interest in controlled corporation	H Shares	8.70%	Long position
China Merchants Group Limited [3]	173,919,000	Interest in controlled corporation	H Shares	8.70%	Long position
Guoneng Power Technology & Engineering Co., Ltd	121,500,000	Beneficial interest	H Shares	6.08%	Long position
China Energy Guoyuan Power Co., Ltd.[4]	121,500,000	Interest in controlled corporation	H Shares	6.08%	Long position
China Energy Investment Corporation Limited [4]	121,500,000	Interest in controlled corporation	H Shares	6.08%	Long position
CITIC-Prudential Life Insurance Company Ltd.	103,750,000	Beneficial interest	H Shares	5.19%	Long position
Prudential Corporation Holdings Limited[5]	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
Prudential Holdings Limited[5]	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
Prudential Corporation Asia Limited[5]	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
Prudential plc[5]	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
CITIC Corporation Limited [6]	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position

Name of Shareholder	Number of Shares held	Capacity	Class of Shares	Approximate percentage of the total issued share capital of the Company	Long position/ short position
CITIC Limited (6)	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
CITIC Glory Limited (6)	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
CITIC Polaris Limited (6)	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position
CITIC Group Corporation (6)	103,750,000	Interest in controlled corporation	H Shares	5.19%	Long position

Notes:

(1) Shandong Hi-Speed is 63.57% owned by Shandong Hi-Speed Group. Therefore, Shandong Hi-Speed Group is deemed to be interested in the H Shares held by Shandong Hi-Speed under the SFO.

(2) COSCO SHIPPING (Hong Kong) Co., Limited is wholly owned by China Shipping Group Company Limited. China Shipping Group Company Limited is wholly owned by China COSCO Shipping Corporation Limited. Therefore, China Shipping Group Company Limited and China COSCO Shipping Corporation Limited are deemed to be interested in the H Shares held by COSCO SHIPPING (Hong Kong) Co., Limited under the SFO.

(3) Cornerstone Holdings Limited is wholly owned by China Merchants Expressway Network & Technology Holdings Co., Ltd. 62.19% shares of China Merchants Expressway Network & Technology Holdings Co., Ltd. are owned by China Merchants Group Limited. Therefore, China Merchants Expressway Network & Technology Holdings Co., Ltd. and China Merchants Group Limited are deemed to be interested in the H Shares held by Cornerstone Holdings Limited under the SFO.

(4) Guoneng Power Technology & Engineering Co., Ltd. is wholly owned by China Energy Guoyuan Power Co., Ltd. China Energy Guoyuan Power Co., Ltd. is wholly owned by China Energy Investment Corporation Limited. Therefore, China Energy Guoyuan Power Co., Ltd. and China Energy Investment Corporation Limited are deemed to be interested in the H Shares held by Guoneng Power Technology & Engineering Co., Ltd. under the SFO.

(5) 50% shares of CITIC-Prudential Life Insurance Company Ltd. are owned by Prudential Corporation Holdings Limited. Prudential Corporation Holdings Limited is wholly owned by Prudential Holdings Limited. Prudential Holdings Limited is wholly owned by Prudential Corporation Asia Limited. Prudential Corporation Asia Limited is wholly owned by Prudential plc. Therefore, Prudential Corporation Holdings Limited, Prudential Holdings Limited, Prudential Corporation Asia Limited and Prudential plc are deemed to be interested in the H Shares held by CITIC-Prudential Life Insurance Company Ltd. under the SFO.

(6) The remaining 50% shares of CITIC-Prudential Life Insurance Company Ltd. are owned by CITIC Corporation Limited. CITIC Corporation Limited is wholly owned by CITIC Limited. Shares of CITIC Limited are owned by CITIC Glory Limited and CITIC Polaris Limited as to 23.38% and 29.58%, respectively. Both CITIC Glory Limited and CITIC Polaris Limited are wholly owned by CITIC Group Corporation. Therefore, CITIC Corporation Limited, CITIC Limited, CITIC Glory Limited, CITIC Polaris Limited and CITIC Group Corporation are deemed to be interested in the H Shares held by CITIC-Prudential Life Insurance Company Ltd. under the SFO.

Save as disclosed above, as at 30 June 2026, so far as is known to Directors of the Company, none of other persons (other than Directors and senior management of the Company) had, or was deemed to have, any interest and short position in the Shares, underlying Shares and debentures of the Company which would be required to be recorded in the register kept by the Company under Section 336 of the SFO.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as is known to our Directors, as at 30 June 2026, none of the Directors or chief executives of the Company and their respective associates had, or was deemed to have, any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be recorded in the register kept by the Company under Section 352 of the SFO or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

REPURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

EXECUTION OF CONTINUING CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

Execution of the continuing connected transactions between the Company and Shandong Hi-Speed Group during the Reporting Period are as follows:

Particulars of Continuing Connected Transactions	Actual Transaction Amount during the Reporting Period (RMB'000)	Annual Caps for 2026 (RMB'000)
Land lease rental paid under the Jihe Expressway Land Lease Agreement	2,310	2,310
Property lease rental paid under the Jihe Expressway Property Lease Agreement	450	450
Service fees paid under the 2024-2026 General Services Framework Agreement and the supplemental agreement thereto	69,655	400,000
2024-2026 Financial Services Framework Agreement		
Daily maximum deposit balance	155,758	1,000,000
Other financial service fees	0	5,000
Daily fund balance of cross-border fund centralised operation and management services	0	140,000
Income from provision of services under the 2024-2026 Services Provision Framework Agreement and the supplemental agreement thereto	14,247	180,000
Procurement expenses paid under the 2024-2026 General Procurement Framework Agreement and the supplemental agreement thereto	13,507	120,000
Revenue from sales under the 2024-2026 General Sales Framework Agreement and the supplemental agreement thereto	41,235	500,000

Further details of the continuing connected transactions above are referred to the Company's 2025 annual report published on 24 April 2026, the announcement dated 24 July 2025 and the circular dated 14 August 2025.

Other Information

CHANGES IN DIRECTORS AND SENIOR MANAGEMENT

Changes in Directors and Senior Management during the Reporting Period

Due to work reassignment, Mr. Wei Yong has resigned from his positions as the chairman of the Board, an executive Director, the chairman of the Nomination Committee of the Board, the chairman of the Strategy Committee of the Board, the legal representative and the authorised representative with effect from 30 April 2026. For details, please refer to the Company's announcement dated 30 April 2026.

As considered and approved at the extraordinary general meeting of the Company convened on 21 May 2026, Mr. Li Tianzhang was appointed as an executive Director of the third session of the Board, with a term commencing on 21 May 2026 until the expiration date of the term of the third session of the Board. For details, please refer to the Company's circular dated 5 May 2026 and announcement dated 21 May 2026.

As considered and approved at the meeting of the Board convened on 21 May 2026, Mr. Li Tianzhang was elected as the chairman of the third session of the Board, and was appointed as the legal representative, and was changed as the authorised representative, the chairman of the Nomination Committee of the Board and the chairman of the Strategy Committee of the Board, with a term commencing from 21 May 2026 until the expiration date of the term of the third session of the Board. For details, please refer to the Company's announcement dated 21 May 2026.

The terms of the third session of the Board of the Company expired on 27 June 2026. As the Board is still undergoing the preparatory works for the re-election, in order to maintain the continuity of the relevant operations of the Company, the re-election of the Board will be postponed. The terms of office of the Directors of the third session of the Board will be extended to the date on which the new session of the Board is elected at the general meeting of the Company and officially perform their duties. The terms of office of the Board committees and the senior management of the Company will also be extended accordingly. For details, please refer to the Company's announcement dated 26 June 2026.

Save as disclosed above, there was no change in the Directors and senior management of the Group during the Reporting Period.

Changes in Directors and Senior Management after the Reporting Period and up to the Date of This Report

There was no change in the Directors and senior management of the Company after the Reporting Period and up to the date of this report.

CHANGES IN INFORMATION OF DIRECTORS AND GENERAL MANAGER

Save as disclosed above, since the date of the Company's 2025 annual report and up to the date of this report, there has been no other change in the information of the Directors and general manager which shall be disclosed under Rule 13.51B(1) of the Listing Rules.

MATERIAL LITIGATION AND ARBITRATION

So far as the Directors of the Company are aware, the Group was not engaged in any material litigation, arbitration or claim, and no litigation or claim of material importance was pending or threatened against the Group during the Reporting Period.

CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance. The Board is responsible for the implementation of corporate governance, including: (i) formulating, developing and reviewing corporate governance policies and practices of the Company; (ii) reviewing and supervising training and continuous professional development of the Directors and senior management; (iii) reviewing and supervising policies and practices for the compliance with laws and regulatory requirements by the Company; (iv) developing, reviewing and supervising the code of conduct and compliance-related regulations for employees and the Directors; and (v) reviewing the compliance of the Corporate Governance Code by the Company and the disclosure in the corporate governance report. The Board believes that an effective corporate governance system can safeguard the interests of Shareholders and promote corporate value and accountability of the Company.

The Company has adopted all applicable code provisions of the Corporate Governance Code. During the Reporting Period, the Company had been in compliance with the applicable code provisions in Part 2 of the Corporate Governance Code.

The Board will continue to review and improve its corporate governance system to ensure the compliance of the Corporate Governance Code.

Other Information

COMPLIANCE WITH THE MODEL CODE

Since the listing of the Company, the Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries of all the Directors, it was confirmed that the Directors of the Company have complied with the required standard set out in the Model Code in relation to securities transactions and its own code of conduct during the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the declaration of any interim dividend for the six months ended 30 June 2026.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the provisions of the Corporate Governance Code. The Audit Committee has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2026.

Report on Review of Condensed Consolidated Financial Statements

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE BOARD OF DIRECTORS OF QILU EXPRESSWAY COMPANY LIMITED
(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Qilu Expressway Company Limited (the "Company") and its subsidiaries set out on pages 24 to 48, which comprise the condensed consolidated statement of financial position as at 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589
Hong Kong
26 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	**1,112,809**	1,067,397
Cost of sales		**(716,043)**	(651,773)
Gross profit		**396,766**	415,624
Other income and gains		**30,988**	41,836
Selling and distribution expenses		**(1,033)**	(1,203)
Administrative expenses		**(42,025)**	(49,702)
Reversal of (provision for) impairment losses on financial and contract assets, net		**(1,097)**	735
Other expenses		**(1,237)**	(433)
Finance costs		**(123,470)**	(141,346)
Share of profits and losses:			
Associates		**165**	(135)
Profit before tax	6	**259,057**	265,376
Income tax expense	7	**(64,318)**	(67,172)
Profit and total comprehensive income for the period		**194,739**	198,204
Profit and total comprehensive income attributable to:			
Owners of the Company		**194,207**	200,408
Non-controlling interests		**532**	(2,204)
		194,739	198,204
Earnings per share	9		
– Basic and diluted (RMB)		**0.09**	0.10

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	**2,023,327**	2,106,475
Investment properties		**14,182**	14,597
Right-of-use assets		**189,804**	199,059
Intangible assets	11	**15,856,286**	16,066,681
Investment in associates		**79,244**	79,079
Deferred tax assets		**19,104**	16,405
Long-term deposits		**316,326**	284,918
Prepayments, other receivables and other assets		**143,545**	142,892
		18,641,818	18,910,106
Current assets			
Inventories		**120,617**	47,939
Trade and bills receivables	12	**514,300**	598,958
Contract assets		**173,461**	200,262
Prepayments, other receivables and other assets		**310,342**	464,030
Time deposits		**96,878**	43,241
Restricted cash		**3,856**	3,085
Cash and cash equivalents		**602,389**	229,454
		1,821,843	1,586,969
Current liabilities			
Trade and bills payables	13	**1,795,673**	2,066,209
Dividend payables	8	**240,000**	–
Other payables and accruals		**527,539**	626,948
Interest-bearing bank borrowings	14	**619,476**	524,496
Lease liabilities		**14,968**	14,800
Tax payable		**1,787**	4,445
Provisions	15	**124,639**	120,139
		3,324,082	3,357,037
Net current liabilities		**(1,502,239)**	(1,770,068)
Total assets less current liabilities		**17,139,579**	17,140,038

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Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Interest-bearing bank borrowings	14	**10,459,228**	10,429,118
Lease liabilities		**63,522**	74,022
Other payables		**13,060**	15,442
Provisions	15	**5,841**	6,183
Deferred tax liabilities		**232,971**	182,104
Deferred income		**6,003**	6,147
		10,780,625	10,713,016
Net assets		**6,358,954**	6,427,022
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	**2,000,000**	2,000,000
Other equity instruments		**1,977,181**	1,988,060
Other reserves		**373,070**	373,070
Retained earnings		**1,823,742**	1,881,463
		6,173,993	6,242,593
Non-controlling interests		**184,961**	184,429
Total equity		**6,358,954**	6,427,022

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Note	Attributable to owners of the Company						
		Share capital RMB'000	Other equity instruments RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)		**2,000,000**	**1,988,060**	**373,070**	**1,881,463**	**6,242,593**	**184,429**	**6,427,022**
Profit for the period		**–**	**–**	**–**	**194,207**	**194,207**	**532**	**194,739**
Total comprehensive income for the period		**–**	**–**	**–**	**194,207**	**194,207**	**532**	**194,739**
Interest paid on perpetual bonds		**–**	**(22,807)**	**–**	**–**	**(22,807)**	**–**	**(22,807)**
Profit distribution to holders of perpetual bonds		**–**	**11,928**	**–**	**(11,928)**	**–**	**–**	**–**
Final 2025 dividend declared	8	**–**	**–**	**–**	**(240,000)**	**(240,000)**	**–**	**(240,000)**
At 30 June 2026 (unaudited)		**2,000,000**	**1,977,181**	**373,070**	**1,823,742**	**6,173,993**	**184,961**	**6,358,954**

	Note	Attributable to owners of the Company						
		Share capital RMB'000	Other equity instruments RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)		2,000,000	1,988,066	334,160	1,761,533	6,083,759	140,867	6,224,626
Profit/(loss) for the period		–	–	–	200,408	200,408	(2,204)	198,204
Total comprehensive income/(expense) for the period		–	–	–	200,408	200,408	(2,204)	198,204
Interest paid on perpetual bonds		–	(23,639)	–	–	(23,639)	–	(23,639)
Profit distribution to holders of perpetual bonds		–	12,754	–	(12,754)	–	–	–
Contribution from non-controlling interest		–	–	–	–	–	24,500	24,500
Final 2024 dividend declared	8	–	–	–	(200,000)	(200,000)	–	(200,000)
At 30 June 2025 (unaudited)		2,000,000	1,977,181	334,160	1,749,187	6,060,528	163,163	6,223,691

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	**259,057**	265,376
Adjustments for:		
Finance costs	**123,470**	141,346
Interest income	**(5,328)**	(7,761)
Share of (profits) losses of associates	**(165)**	135
Gain on disposal of items of property, plant and equipment and intangible assets, net	**(2,878)**	(74)
Depreciation of property, plant and equipment	**115,415**	112,060
Depreciation of investment properties	**415**	415
Depreciation of right-of-use assets	**9,255**	3,705
Amortisation of intangible assets	**214,347**	209,981
(Reversal of) provision for impairment loss on financial asset and contract liabilities, net	**1,097**	(735)
Foreign exchange differences, net	**1,234**	–
	715,919	724,448
Increase in inventories	**(72,678)**	(30,982)
Decrease (increase) in trade and bills receivables	**85,586**	(29,833)
Decrease (increase) in contract assets	**25,101**	(23,539)
Decrease in prepayments, other receivables and other assets	**7,178**	69,780
Decrease in trade and bills payables	**(82,774)**	(1,076,930)
Decrease in other payables and accruals	**(101,791)**	(6,344)
Increase in provisions	**4,158**	11,000
(Decrease) increase in deferred income	**(144)**	789
Increase in restricted cash	**(771)**	(1,990)
Cash generated from (used in) operations	**579,784**	(363,601)
Income tax paid	**(53,793)**	(55,682)
Net cash from (used in) operating activities	**525,991**	(419,283)

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Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2026

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from investing activities		
Purchase of financial assets	**(125,000)**	–
Proceeds from disposal of financial assets	**227,000**	–
Interest received	**17,143**	7,761
Purchase of property, plant and equipment and intangible assets	**(249,706)**	(86,416)
Proceeds from disposal of property, plant and equipment and intangible assets	**797**	33,733
Investments in an associate	**–**	(26,950)
Net cash used in investing activities	**(129,766)**	(71,872)
Cash flows from financing activities		
Proceeds from interest-bearing bank borrowings	**314,999**	986,447
Repayment of interest-bearing bank borrowings	**(180,241)**	(244,328)
Interest paid	**(123,839)**	(139,709)
Principal portion of lease payments	**(8,346)**	(6,509)
Interest portion of lease payments	**(1,822)**	(1,637)
Contribution from non-controlling interests	**–**	24,500
Perpetual bonds interest paid	**(22,807)**	(23,639)
Net cash (used in) from financing activities	**(22,056)**	595,125
NET INCREASE IN CASH AND CASH EQUIVALENTS	**374,169**	103,970
Cash and cash equivalents at beginning of period	**229,454**	216,691
Effect of foreign exchange rate changes, net	**(1,234)**	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**602,389**	320,661

1. GENERAL INFORMATION

Qilu Expressway Company Limited (the "Company") was registered in the People's Republic of China (the "PRC") on 6 January 2004 as a limited liability company. On 6 December 2016, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company's registered office is Room 2301, Block 4, Zone 3, Hanyu Financial & Business Center, No. 7000, Jingshi East Road, High-tech Zone, Jinan City, Shandong Province, the PRC. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEX") on 19 July 2018.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the construction, maintenance, operation and management of Jihe Expressway, Deshang Expressway (Liaocheng – Fan County section) ("Deshang Expressway") and Shennan Expressway in the PRC and engaged in the sale of industrial products in Shandong Province.

Pursuant to a concession agreement entered into between the Company and the Shandong Provincial Traffic Transport Department (山東省交通運輸廳) ("Shandong Transport Department") on 26 September 2004, the Company, which engages in the construction, maintenance, operation and management of Jihe Expressway in Shandong Province in the PRC, is entitled to toll collection from vehicles passing through Jihe Expressway for a period of 30 years, from 26 September 2004 to 25 September 2034. With the completion of the expansion and reconstruction of Jihe Expressway in 2024, the toll collection period had been extended by 25 years to 25 September 2049.

Pursuant to a transfer agreement entered into between the Company and Qilu Transportation Development Group Company Limited ("Qilu Transportation") on 2 June 2020, the Company acquired the toll collection rights of Deshang Expressway and Shennan Expressway from Qilu Transportation. The Company engages in the maintenance, operation and management of Deshang Expressway and Shennan Expressway in Shandong Province in the PRC, and is entitled to toll collection from vehicles passing through Deshang Expressway and Shennan Expressway from 1 January 2020 to 15 November 2040 and 27 September 2043 respectively

The condensed consolidated financial statements are presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the HKEX (the "Listing Rules").

As at 30 June 2026, the Group's current portion of interest-bearing bank borrowings amounted to RMB619,476,000, while its cash and cash equivalents amounted to RMB602,389,000 and its net current liabilities amounted to RMB1,502,239,000. The directors of the Company have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to operate as a going concern.

The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future with the sufficient unused bank credit facilities as at 30 June 2026 and available at least next twelve months from the end of the reporting period. Accordingly, the directors of the Company believe it is appropriate to prepare the condensed consolidated financial statements of the Group for the period ended 30 June 2026 on a going concern basis. Therefore, the condensed consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2026 for the preparation of the Group's condensed financial statements:

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*

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

4. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the board of directors of the Company who makes strategic decisions. Management has determined the operating segments based on these reports.

The chief operating decision-maker reviews the performance of the Group as a whole. In addition, all of the Group's operations are located in Chinese Mainland. Accordingly, the Group has only one single reportable operating segment and no discrete operating segment financial information is available, other than the entity-wide disclosures.

Geographical information

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

Information about major customers

During the period ended 30 June 2026 and 2025, no revenue (excluding revenue from construction and upgrade services) derived from a single customer accounted for 10% or more of the Group's total revenue.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**1,110,065**	1,065,022
Revenue from other sources		
Rental income	**2,744**	2,375
	1,112,809	1,067,397

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

	Expressway business RMB'000 (Unaudited)	**Construction and other business RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Timing of revenue recognition			
Services and sales of product transferred at a point in time	**788,261**	**279,603**	**1,067,864**
Services transferred over time	**–**	**42,201**	**42,201**
	788,261	**321,804**	**1,110,065**

For the six months ended 30 June 2025

	Expressway business RMB'000 (Unaudited)	Construction and other business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Timing of revenue recognition			
Services and sales of product transferred at a point in time	822,091	187,737	1,009,828
Services transferred over time	–	55,194	55,194
	822,091	242,931	1,065,022

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**282,084**	181,287
Depreciation of property, plant and equipment	**115,415**	112,060
Depreciation of investment properties	**415**	415
Depreciation of right-of-use assets	**9,255**	3,705
Amortisation of intangible assets	**214,347**	209,981
(Reversal of) provision for impairment losses on financial assets and contract assets, net	**1,097**	(735)
Gain on disposal of intangible assets, net	**(90)**	–
Gain on disposal of property, plant and equipment, net	**(2,788)**	(74)

7. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The provision for PRC current income tax is based on the statutory rate of 25% (six months ended 30 June 2025: 25%) of the assessable profits during the six months ended 30 June 2026.

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
PRC corporate income tax	**16,150**	49,521
Deferred income tax	**48,168**	17,651
	64,318	67,172

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final dividends in respect of the financial year ended 31 December 2025 approved – RMB0.120 (2025: RMB0.100) per ordinary share	**240,000**	200,000

On 26 March 2025, the board of the Company declared a dividend of approximately RMB0.100 per ordinary share, amounting to a total of approximately RMB200,000,000, which was approved at the Company's Annual General Meeting on 26 June 2025. As at 30 June 2025, such dividend has not been paid.

On 31 March 2026, the board of the Company declared a dividend of approximately RMB0.120 per ordinary share, amounting to a total of approximately RMB240,000,000, which was approved at the Company's Annual General Meeting on 26 June 2026. As at 30 June 2026, such dividend has not been paid.

No dividend was proposed during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2025: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, excluding interest on perpetual bonds, and the weighted average number of ordinary shares of 2,000,000,000 (six months ended 30 June 2025: 2,000,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying amount at beginning of period	**2,106,475**	2,094,083
Additions	**32,718**	66,796
Depreciation	**(115,415)**	(112,060)
Disposals	**(451)**	(4,473)
Carrying amount at end of period	**2,023,327**	2,044,346

11. INTANGIBLE ASSETS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Carrying amount at beginning of period	**16,066,681**	16,503,212
Additions	**4,262**	19,620
Amortisation	**(214,347)**	(209,981)
Disposals	**(310)**	(29,186)
Carrying amount at end of period	**15,856,286**	16,283,665

12. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	532,528	597,835
Impairment	(39,826)	(40,115)
Trade receivables, net	492,702	557,720
Bills receivable	21,648	41,927
Impairment	(50)	(689)
Bills receivable, net	21,598	41,238
Net carrying amount	514,300	598,958

Trade receivables mainly consist of receivables from construction contracting and the sale of industrial products as at 30 June 2026.

Included in the trade receivables are amounts RMB182,599,000 (31 December 2025: RMB198,247,000) due from the Group's related parties, which are receivable on credit terms similar to those offered to other similar customers of the Group.

Trade receivables are unsecured and non-interest-bearing.

All the bills receivable are aged within 1 year.

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	262,998	317,827
Between 1 and 2 years	148,108	157,496
Between 2 and 3 years	10,826	11,708
Over 3 years	70,770	70,689
	492,702	557,720

13. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	547,399	577,699
Between 1 and 2 years	213,696	1,457,945
Over 2 years	1,034,578	30,565
	1,795,673	2,066,209

Included in the trade payables are amounts RMB519,083,000 (31 December 2025: RMB573,003,000) due to the Group's related parties, which are repayable on credit terms similar to those offered by other similar suppliers of the Group.

Trade payables are unsecured and non-interest-bearing.

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current:		
Bank loans – secured	**76,594**	77,535
Bank loans – unsecured	**542,882**	446,961
	619,476	524,496
Non-current:		
Bank loans – secured	**870,874**	865,195
Bank loans – unsecured	**9,588,354**	9,563,923
	10,459,228	10,429,118
	11,078,704	10,953,614

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	**619,476**	524,496
In the second year	**401,773**	478,150
In the third to fifth years, inclusive	**846,114**	798,868
Beyond five years	**9,211,341**	9,152,100
	11,078,704	10,953,614

As at 30 June 2026, the secured bank loan of RMB105,586,000 (31 December 2025: RMB111,256,000) is subject to a covenant that requires the company's debt-to-asset ratio consistently not to exceed 75% at any time throughout the loan term. The Group considers there is no indication that it will have difficulties in complying with this covenant.

15. PROVISIONS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed for reporting purposes as:		
Non-current liabilities	**5,841**	6,183
Current liabilities	**124,639**	120,139
	130,480	126,322

15. PROVISIONS (Continued)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Carrying amount at beginning of period/year	**126,322**	48,056
Additional provisions	**4,500**	79,011
Utilisation of provisions	**(342)**	(745)
Carrying amount at end of period/year	**130,480**	126,322

16. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid	**2,000,000**	2,000,000

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue '000	Share capital RMB'000
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	**2,000,000**	2,000,000

17. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Reconstruction and expansion project on the Jihe Expressway	**205,698**	207,403
Construction in progress of Qilu Assembly	**23,409**	55,703
Station equipment installation project of Qilu Energy Technology	**2,678**	2,678
	231,785	265,784

18. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the period:

(a) Information of related parties

Name	Relationships with the Group
Shandong Hi-Speed Group Company Limited ("Shandong Hi-Speed Group")	Ultimate holding Company
Shandong Hi-Speed Company Limited	Controlling shareholder of the Company
Guoneng Power Technology & Engineering Company Limited	Shareholder of the Company
COSCO SHIPPING (Hong Kong) Co., Limited	Shareholder of the Company
Jinan Xinyue New Road Materials R&D Co., Ltd.	An associate of the Shandong Gangtong
Shandong Traffic Planning Design Institute Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Information Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Traffic Engineering Supervision Consulting Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Tongwei Information Engineering Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Luqiao Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Engineering Inspection Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Maintenance Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Liaocheng Transportation Development Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Jiaotong New Energy Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Qilu Construction Group Decoration Engineering Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Weihai Bank Co., Ltd("Weihai Bank")	Fellow subsidiary of the Ultimate holding Company

18. RELATED PARTY TRANSACTIONS (Continued)

(a) Information of related parties (Continued)

Name	Relationships with the Group
Shandong Water General Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Dongfang Road and Bridge Construction Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Road and Bridge Construction Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Engineering Construction Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Smart City Service Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Aobang Traffic Facilities Engineering Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Environmental Protection Industry Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Zhengchen Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Technology Investment Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Jierui Digital Intelligence Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Material Digital Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Construction Materials Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Basketball Club Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed (Weihai) international Trade Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Zibo Development Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Building Materials Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Bioengineering Co., Ltd.	Fellow subsidiary of the Ultimate holding Company

18. RELATED PARTY TRANSACTIONS (Continued)

(a) Information of related parties (Continued)

Name	Relationships with the Group
Shandong Zhengwei Detection Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Transportation Equipment Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Transportation Construction Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Construction Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Industrial Development Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Road and Bridge Group Heze Construction Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Qingdao Property Management Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Property Services Development Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Taidong Highway Engineering Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Asphalt Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Qilu Eurasia Railway Logistics Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Ecological Environment Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Qingzhang Expressway Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Qidong Highway Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong High-Speed Traffic Construction Group Maintenance Industry Co., Ltd	Fellow subsidiary of the Ultimate holding Company
Shandong Taidong Transportation Energy Construction Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Highway & Bridge Testing Center Co., Ltd.	Fellow subsidiary of the Ultimate holding Company

18. RELATED PARTY TRANSACTIONS (Continued)

(a) Information of related parties (Continued)

Name	Relationships with the Group
Shandong Hi-Speed Sulianyun Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed New Energy Development Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Road & Bridge Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Provincial Road & Bridge Group Equipment Technology Co., Ltd	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Property Management Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong High-Speed Material Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Dejian Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Dejianjianke Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Engineering Project Management Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Jiaojian Ecological Development Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Green Ecological Development Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Luchang Expressway Service Area Management Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Science and Innovation Investment Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shangao Commercial Factoring (Tianjin) Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Luqiao Building Materials Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Logistics Group Co., Ltd.	Fellow subsidiary of the Ultimate holding Company
Shandong Hi-Speed Huarui Road Material Technology Co., Ltd.	Fellow subsidiary of the Ultimate holding Company

18. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June **2026** **RMB'000** **(Unaudited)**	 2025 RMB'000 (Unaudited)
Construction service income:			
Fellow subsidiary of ultimate holding company	(i)	**13,781**	27,177
Sales of goods:			
Fellow subsidiary of ultimate holding company	(i)	**41,235**	68,654
Interest income:			
Weihai Bank	(i)	**104**	93
Other service income:			
Ultimate holding company	(i)	**28**	–
Fellow subsidiary of ultimate holding company	(i)	**438**	13
Controlling shareholder of the Company	(i)	**–**	13
		55,586	95,950

18. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	 2025 RMB'000 (Unaudited)
Purchases of equipment:			
Fellow subsidiary of ultimate holding company	(i)	**220**	–
Purchases of goods:			
Fellow subsidiary of ultimate holding company	(i)	**13,287**	12,654
An associate of Shandong Gangtong	(i)	**–**	105
Employee service fees:			
Fellow subsidiary of ultimate holding company	(i)	**9,265**	7,774
Interest expenses:			
Ultimate holding company	(ii)	**–**	7,606
Rent of land and property:			
Ultimate holding company	(i)	**8,534**	5,774
Maintenance services:			
Fellow subsidiary of ultimate holding company	(i)	**12,050**	7,793
Design and technical service expenses:			
Fellow subsidiary of ultimate holding company	(i)	**8,745**	1,381
Construction cost and supervision fees:			
Fellow subsidiary of ultimate holding company	(i)	**37,938**	84,891
Other service expenses:			
Fellow subsidiary of ultimate holding company	(i)	**1,657**	193
		91,696	128,171

Notes:

(i) During the reporting period, the transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(ii) The interest rate of loans from the ultimate holding company is nil (six months ended 30 June 2025:2.60%).

18. RELATED PARTY TRANSACTIONS (Continued)

(c) Commitments with related parties

In the Jihe Expressway reconstruction and expansion project, the Qilu Expressway smart transportation industrial park project, and the energy technology station equipment installation project, the Group entered into purchase agreements with Shandong Luqiao Group Co., Ltd., Shandong Zhengchen Technology Co., Ltd., Shandong Water General Co., Ltd., Shandong Aobang Transportation Facilities Engineering Co., Ltd., Shandong Expressway Construction Technology Co., Ltd., and Shandong Provincial Transportation Engineering Supervision & Consulting Co., Ltd. for engineering and supervision services, and with Shandong Provincial Road & Bridge Group Equipment Technology Co., Ltd. for station equipment installation services. As at 30 June 2026, the committed fees payable for the service is approximately RMB224,108,000 (31 December 2025: RMB257,545,000) and RMB2,678,000 (31 December 2025: RMB2,678,000) respectively.

(d) Outstanding balances with related parties

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and cash equivalents:		
Weihai Bank	**61,565**	27,562
Prepayments and other receivables:		
Fellow subsidiary of ultimate holding company	**5,394**	6,225
An associate of Shandong Gangtong	**144**	1
	5,538	6,226
Trade and bills receivables:		
Fellow subsidiary of ultimate holding company	**181,574**	197,222
An associate of Shandong Gangtong	**1,025**	1,025
	182,599	198,247
Contract assets		
Fellow subsidiary of ultimate holding company	**91,346**	133,017
Trade and bills payables		
Fellow subsidiary of ultimate holding company	**512,655**	566,578
An associate of Shandong Gangtong	**6,428**	6,425
	519,083	573,003

18. RELATED PARTY TRANSACTIONS (Continued)

(d) Outstanding balances with related parties (Continued)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Other payables and accruals		
Ultimate holding company	**15,820**	2,881
Fellow subsidiary of ultimate holding company	**32,189**	98,829
Shareholder of the Company	**21**	986
	48,030	102,697
Dividend payables		
Ultimate holding company	**93,420**	–
Shareholder of the Company	**86,580**	–
	180,000	–
Lease liabilities		
Ultimate holding company	**59,725**	61,203
Interest-bearing borrowings		
Ultimate holding company	**–**	18,271

As at 30 June 2026, Balances with the above related parties were unsecured and non-interest-bearing except for the deposit in Weihai Bank at an interest rate of 0.50% per annum.

As at 31 December 2025, balances with the above related parties were unsecured and non-interest-bearing except for the interest – bearing borrowings from Shandong Hi-Speed Group and deposit in Weihai Bank at an interest rate of 2.60% and 0.50% per annum respectively.

(e) Cross-border fund centralised operation and management services

The Group entered into a service agreement with Shandong Hi-Speed Group with an effective date of 1 January 2024 for cross-border fund centralised operation and management. During the period from 1 January 2024 to 30 June 2026, the daily deposit balance of the Group in the cross-border fund centralised operation and management account of Shandong Hi-Speed Group shall not exceed RMB140 million. As at 30 June 2026, the balance is nil. Shandong Hi-Speed Group provides the above services without charging service fees.

19. EVENTS AFTER THE REPORTING PERIOD

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