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

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 600548 (SSE) 00548 (HKEx))

Interim Report 2026

Cautionary Statement in relation to Forward-looking Statement:

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

The forward-looking statements in this report, including future plans and development strategies, do not constitute substantive commitments by the Company to investors. Investors are advised to pay attention to investment risks.

Member of Shenzhen International Holding Limited

CONTENT

Definition

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

Glossary of Terms

Reporting Period, 2026 Interim, Period	For the six months from 1 January 2026 to 30 June 2026.
Reporting date	The date on which the Interim Report 2026 of the Company is approved by the Board, being 25 August 2026.
YOY	Year-on-year change rate as compared to the same period of 2025.
The Group, The Company, Shenzhen Expressway	Shenzhen Expressway Corporation Limited and its consolidated subsidiaries.
RMB/yuan	Renminbi yuan, the lawful currency of PRC.
CSRC	China Securities Regulatory Commission.
SFC	Securities and Futures Commission of Hong Kong.
SSE	The Shanghai Stock Exchange.
SZEX	The Shenzhen Stock Exchange.
HKEx	The Stock Exchange of Hong Kong Limited.
Listing Rules	The Rules Governing the Listing of Securities on HKEx and/or the Rules Governing the Listing of Stocks on SSE (as the case may be).
State Council	State Council of the People's Republic of China (中華人民共和國國務院).
SASAC	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).
NDRC	National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會).
MOT	Ministry of Transport of the People's Republic of China (中華人民共和國交通運輸部).
National Energy Administration	National Energy Administration of the People's Republic of China (中華人民共和國國家能源局).
Ministry of Finance	Ministry of Finance of the People's Republic of China (中華人民共和國財政部).
Ministry of Industry and Information Technology	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和資訊化部).
Shenzhen SASAC	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會).
Shenzhen Transport Bureau	Transport Bureau of Shenzhen Municipality (深圳市交通運輸局).

SIHC	Shenzhen Investment Holdings Company Limited (深圳市投資控股有限公司).
Shenzhen International	Shenzhen International Holdings Limited (深圳國際控股有限公司).
XTC Company	Xin Tong Chan Development (Shenzhen) Company Limited (新通產實業開發(深圳)有限公司).
SGH Company	Shenzhen Shen Guang Hui Highway Development Company Limited (深圳市深廣惠公路開發有限公司).
Advance Great Company	Advance Great Limited (晉泰實業公司).
Yunshan Capital	Jiangsu Yunshan Capital Management Co., LTD. (江蘇雲杉資本管理有限公司).
CMET	China Merchants Expressway Network & Technology Holdings Company Limited (招商局公路網絡科技控股股份有限公司).
Anhui Expressway	Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司).
GDRB Company	Guangdong Roads and Bridges Construction Development Company Limited (廣東省路橋建設發展有限公司).
Shenzhen International (Shenzhen)	Shenzhen International Holdings (SZ) Limited (深國際控股(深圳)有限公司).
SIICHIC	Shenzhen Investment International Capital Holdings Infrastructure Company Limited (深圳投控國際資本控股基建有限公司).
Guangming Environment	Shenzhen Guangming Environment Technology Company Limited (深圳光明深高速環境科技有限公司).
Guishen Company	Guizhou Guishen Investment Development Company Limited (貴州貴深投資發展有限公司).
Bank of Guizhou	Bank of Guizhou Company Limited (貴州銀行股份有限公司).
Environmental Company	Shenzhen Expressway Environmental Company Limited (深圳高速環境有限公司).
Construction Company	Shenzhen Expressway Construction Development Company Limited (深圳高速建設發展有限公司).
Qinglian Company	Guangdong Qinglian Highway Development Company Limited (廣東清連公路發展有限公司).
Financial Leasing Company	Shenzhen Expressway Financial Leasing Company Limited (深圳市深高速融資租賃有限公司).
Shenchang Company	Changsha Shenchang High Speed Trunk Road Company Limited (長沙市深長快速幹道有限公司).
Digital Technology Company	Shenzhen Expressway Digital Technology Company Limited (深圳高速公路集團數字科技有限公司).

Definition

Shenshan Qiantai	Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Company Limited (深圳深汕特別合作區乾泰技術有限公司).
Outer Ring Company	Shenzhen Outer Ring Expressway Investment Company Limited (深圳市外環高速公路投資有限公司).
Coastal Company	Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司).
Yunji Intelligent (Former Consulting Company)	Yunji Intelligent Engineering Holding Company Limited (雲基智慧工程股份有限公司).
Mei Wah Company	Mei Wah Industrial (Hong Kong) Limited (美華實業(香港)有限公司).
Meiguan Expressway	The expressway from Meilin to Guanlan in Shenzhen City. The ***Toll-Free Section of Meiguan Expressway*** refers to the section from Meilin to Guanlan with a mileage of approximately 13.8 km, which has become toll-free from 24:00 on 31 March 2014. The ***Toll Section of Meiguan Expressway*** refers to the section from Shenzhen-Dongguan border to Guanlan with a mileage of approximately 5.4 km which remains toll collection.
Jihe Expressway	The expressway from Shenzhen International Airport to He'ao in Shenzhen City, comprising ***Jihe East*** (Qinghu to He'ao) and ***Jihe West*** (Airport to Qinghu).
Jihe Expressway R&E Project	The reconstruction and expansion project of the section from He'ao to Shenzhen Airport of Shenyang-Haikou National Expressway.
Shuiguan Expressway	The expressway from Shuijingcun to Guanjintou in Shenzhen City, which has ceased toll collection as of 24:00 on 25 April 2026.
Shuiguan Extension	An extension to Shuiguan Expressway, Phase I of ***Qingping Expressway*** (the expressway from Yulongkeng to Pinghu in Shenzhen City), which has ceased toll collection as of 24:00 on 6 July 2026.
Outer Ring Project	The project of Shenzhen section of Outer Ring Expressway in Shenzhen City (referred to as ***Outer Ring Expressway***), among which, the section with the length of 35.67 km from Shajing to Guanlan and the section with the length of 15.06 km from Longcheng to Pingdi, totalling approximately 51 km (referred to as ***Outer Ring Phase I***) has opened to traffic on 29 December 2020. The section with the length of 9.35 km from the end of Longgang Section of to Kengzi via Pingdi etc. (referred to as ***Outer Ring Phase II***) has opened to traffic on 1 January 2022. The section with the length of 16.8 km from Kengzi to Dapeng (referred to as ***Outer Ring Phase III***) has started construction in late 2023.
Coastal Project	The section from Nanshan, Shenzhen to Dongbao River (the boundary between Dongguan and Shenzhen) (referred to as ***Coastal Expressway (Shenzhen Section)***) of the coastal expressway from Guangzhou to Shenzhen (referred to as ***Coastal Expressway***). Among which, the project of the main line of Coastal Expressway (Shenzhen Section) and related facilities are referred to as ***Coastal Phase I***, and the project of the ramp bridge of airport interchange of Coastal Expressway (Shenzhen Section) and related facilities are referred to as ***Coastal Phase II***.

Longda Expressway	The expressway from Longhua, Shenzhen to Dalingshan, Dongguan. Starting from 0:00 on 7 February 2016, a total of 23.8 km of the Shenzhen section of Longda Expressway (i.e. the section from Longhua Shenzhen to Nanguang expressway ramp access) has been operated by toll-free with card access method, and had been transferred to Shenzhen Transport Bureau from 0:00 on 1 January 2019. The ***Toll Section of Longda Expressway*** refers to the section of about 4.426 km starting from north of Songgang to Guanfo expressway, which still retains toll collection.
Qinglian Expressway	The expressway from Qingyuan to Lianzhou.
Yangmao Expressway	The expressway from Yangjiang to Maoming.
GZ W2 Expressway	The section from Xiaotang to Maoshan of Guangzhou Ring Expressway, also referred to as Guangzhou Western Second Ring Expressway.
Changsha Ring Road	Changsha Ring Expressway (North-Western Section).
Nanjing Third Bridge	Nanjing Yangtze River Third Bridge.
Yichang Project	The expressway from Yiyang to Changde in Hunan (referred to as ***Yichang Expressway***) and Changde connection line.
Four Expressways	Nanguang Expressway, Yanpai Expressway, Yanba Expressway and the Shenzhen section of Longda Expressway, all of which have been transferred to Shenzhen Transport Bureau from 0:00 on 1 January 2019.
Bay Area Development	Shenzhen Investment Holdings Bay Area Development Company Limited (深圳投控灣區發展有限公司), a red chip company listed on HKEx, stock code: 00737.
Guangshenzhu Company	Guangshenzhu Expressway Co., Ltd, which is mainly engaged in the investment, construction, operation and management of Guangzhou-Shenzhen Expressway. It has completed its restructuring and organizational institution change registration by April 2025. Bay Area Development is indirectly entitled a 45% profit-sharing interest in Guangshenzhu Company.
GS Expressway, the Guangzhou-Shenzhen section of G4	The Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway (G4), starting from Huangcun interchange in Tianhe District, Guangzhou in the north, ends at Huanggang Checkpoint in Futian District, Shenzhen in the south, with a total length of approximately 122.8 km.
GZ West Expressway	Guangzhou-Zhuhai West Expressway, comprising Phase I, Phase II and Phase III, starts from Hainan interchange of Liwan District, Guangzhou in the north and to Yuehuan Interchange of Tanzhou Town, Zhongshan in the south, with a total length of approximately 98 km.
Shenzhen-Zhongshan Link	A cross-sea passage connecting Shenzhen with Zhongshan and Guangzhou in Guangdong Province.
Shenshan Environmental Park Project	The entrusted construction and management project for the whole process in relation to the infrastructure and ancillary projects for Shenshan Eco-Environmental Science and Technology Industrial Park which is undertaken by the Group.

Definition

Guilong Project	The construction project of phase I of Guilong Road in Longli, Guizhou under BT model and the primary development project of relevant land which is undertaken by the Group.
Longli River Bridge Project (Former Duohua Bridge Project)	A road construction project from Jichang Village to Duohua Village in Longli County undertaken by Guishen Company under BT model. The major part of the project is Longli River Bridge.
Guizhou Hengtongli	Guizhou Hengtongli Property Company Limited (貴州恒通利置業有限公司).
Meilin Checkpoint Renewal Project	The Urban Renewal Project of Meilin Checkpoint of Minzhi Office in Longhua District, the entity which carried out the project is United Land Company.
Shenzhen Water Planning	Shenzhen Water Planning & Design Institute Company Limited (深圳市水務規劃設計院股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 301038.
Derun Environment	Chongqing Derun Environment Company Limited (重慶德潤環境有限公司).
Chongqing Water	Chongqing Water Group Company Limited (重慶水務集團股份有限公司), a company listed on SSE, stock code: 601158.
Sanfeng Environment	Chongqing San Feng Environmental Industrial Group Company Limited (重慶三峰環境集團股份有限公司), a company listed on SSE, stock code: 601827.
Nanjing Wind Power	Nanjing Wind Power Technology Company Limited (南京風電科技有限公司).
Baotou Nanfeng	Baotou Nanfeng Wind Power Technology Company Limited (包頭市南風風電科技有限公司).
New Energy Company	Shenzhen Expressway New Energy Holdings Company Limited (深圳高速新能源控股有限公司).
Shengneng Technology	Shenzhen Expressway Shengneng Technology Company Limited (深圳深高速晟能科技有限公司).
Huai'an Zhongheng	Huai'an Zhongheng New Energy Company Limited (淮安中恒新能源有限公司).
Nanjing Avis	Nanjing Avis Transmission Technology Company Limited (南京安維士傳動技術股份公司).
Yongcheng Zhuneng	The 32 MW wind power project in Yongcheng City, Shangqiu City, Henan Province.
Zhongwei Gantang	The 49.5 MW wind power project in Gantang, Zhongwei City, Ningxia Province.
Xinjiang Mulei	The wind power project of Changji Mulei Laojunmiao Wind Farm in Xinjiang Zhundong New Energy Base, including Qianzhi, Qianhui and Qianxin projects.
Qianzhi	Xinjiang Mulei County Qianzhi New Energy Development Company Limited (新疆木壘縣乾智慧源開發有限公司).
Qianhui	Xinjiang Mulei County Qianhui New Energy Development Company Limited (新疆木壘縣乾慧能源開發有限公司).

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

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

Company Information

I. Company Profile

Registered name	深圳高速公路集團股份有限公司
Chinese abbreviation	深高速
English name	Shenzhen Expressway Corporation Limited
English abbreviation	SZEW
Legal representative	/
Registered address	Fumin Toll Station, Fucheng Street, Longhua District, Shenzhen (Postal Code: 518110)
Place of business	46/F, Hanking Centre, No. 9968 Shennan Avenue, Nanshan District, Shenzhen (Postal Code: 518057)
Website	https://www.sz-expressway.com H-share market website: https://expressway.aconnect.com.hk
E-mail	ir@sz-expressway.com
Principal place of business in Hong Kong	Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong Tel: (852) 2543 0633 Fax: (852) 2543 9996

II. Contact Information

	Secretary of the Board	Securities officer
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III. Information Disclosure and Site for Inspection

Designated publication newspaper	Shanghai Securities News, Securities Times, China Securities Journal, Securities Daily (for A shares only)	
Annual report in electronic version is available at	https://www.sse.com.cn https://www.hkexnews.hk https://expressway.aconnect.com.hk	
Annual report in printed version is available at	PRC:	46/F, Hanking Centre, No. 9968 Shennan Avenue, Nanshan District, Shenzhen
	Hong Kong:	Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong

IV. Stock Profile

Type of stock	Listing exchange	Abbreviation	Stock code
A Share	The Shanghai Stock Exchange	Shenzhen Expressway	600548
H Share	The Stock Exchange of Hong Kong Limited	Shenzhen Expressway	00548

V. Information on Professional Institutions

Auditor	KPMG Huazhen LLP 8/F, Office Tower E2, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing Signatory accountants: CHEN Zimin, LIN Lin
The sponsor performing persistent supervision duties in the Reporting Period	CITIC Securities Co., Ltd. CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen Signatory Sponsoring Representatives: Chen Caiquan, Zhang Qianyu
Hong Kong legal adviser	Loong & Yeung, Solicitors Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong
Domestic share registrar and transfer office	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 South Yanggao Road, Pudong New Area, Shanghai
Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong

Company Profile and Key Financial Indicators

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

As at the end of the Reporting Period, the Company had 2,537,856,127 ordinary shares in issue, of which 1,790,356,127 A Share are listed on SSE and 747,500,000 H Share are listed on HKEx, representing approximately 70.55% and 29.45% of the total share capital of the Company respectively.

I. Principal Accounting Data and Financial Indicators in the Reporting Period

Item (unit: RMB)	2026 Interim (unaudited)	2025 Interim (unaudited)	Change (%)
Revenue	**3,652,853,398.72**	3,918,555,340.74	-6.78
Total profit	**1,169,036,203.59**	1,255,312,119.50	-6.87
Net profit/loss attributable to owners of the Company (loss shown with "-")	**918,846,192.90**	959,891,990.84	-4.28
Net profit/loss attributable to owners of the Company – excluding non-recurring items (loss shown with "-")	**1,000,962,060.95**	899,651,218.85	11.26
Net cash flows from operating activities	**2,039,235,416.05**	1,954,978,990.73	4.31

Item (unit: RMB)	As at 30 Jun 2026 (unaudited)	As at 31 Dec 2025 (audited)	Change (%)
Net assets attributable to owners of the Company	**27,018,766,471.15**	27,031,138,112.07	-0.05
Total assets	**70,448,415,658.02**	71,289,150,413.25	-1.18

Item	2026 Interim (unaudited)	2025 Interim (unaudited)	Change (%)
Earnings/Loss per share – basic (RMB/share) (loss shown with "-")	**0.346**	0.382	-9.42
Earnings/Loss per share – diluted (RMB/share) (loss shown with "-")	**0.346**	0.382	-9.42
Earnings/Loss per share excluding non-recurring items – basic (RMB/share) (loss shown with "-")	**0.378**	0.357	5.88
Return on net assets – weighted average (%)	**3.77**	4.34	Decrease 0.57 pct.pt
Return on net assets excluding non-recurring items – weighted average (%)	**4.13**	4.06	Increase 0.07 pct.pt

Description of Principal Accounting Data and Financial Indicators of the Company:

The Company's RMB4 billion perpetual corporate bonds are recognised in other equity instruments and the Company excluded the impact of the perpetual bonds when calculating earnings per share and weighted average return on net assets.

Non-recurring Profit/Loss Items and Amounts

Unit: Yuan Currency: RMB

Non-recurring Profit/Loss Item	2026 Interim (unaudited)	Notes
Gains or losses on disposal of non-current assets, including the reversal of previously recognised asset impairment provisions	**169,636.95**	
Government grants recognised in the profit or loss for the period, except for those which are closely related to the Company's normal business operation, qualified with the requirements under national policies and according to established standards, and continuously impact on the Company's profit and loss	**18,589,491.06**	
Except for the effective hedging business in relation to the normal operation of the Company, profit and loss from fair value changes arising from the financial assets and the financial liabilities held by non-financial enterprises, and the profit and loss from the disposal of the financial assets and financial liabilities	**-107,863,751.45**	Mainly due to the profit or loss from changes in the fair value of equity in associated companies
Other non-operating income and expenditure excluding above items	**-16,259,972.69**	
Less: Income tax effects	**-26,143,163.32**	
Minority shareholder's interest effects (after taxes)	**2,894,435.24**	
Total	**-82,115,868.05**	

II. Financial Summary for Five Years

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

Company Profile and Key Financial Indicators

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

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

Description of Key Financial Ratios

Profit before interests and tax = Net profit + Income tax expenses + Interest expenses

Interest covered multiple = Profit before interests and tax/Interest expenses

Debt-to-asset ratio = Total liabilities/Total assets

Gross liabilities-to-equity ratio = Total liabilities/Total equity

Net borrowings-to-equity ratio = (Total amount of borrowings – Cash and cash equivalents)/Total equity

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

I. Principal Business and Industry

(I) Overview of Principal Business

The Group principally engages in toll roads, clean energy power generation and solid waste recycling treatment. As of the date of this report, the Group has invested in or operated 14 toll road projects in total, with approximately 590.5 km under its controlling interest, mainly located in Shenzhen, the Guangdong-Hong Kong-Macao Greater Bay Area, and other economically developed regions with geographical advantages. Currently, the Group is actively promoting the investment and implementation of major construction, reconstruction and expansion projects such as Outer Ring Phase III, Jihe Expressway, and Guangzhou-Shenzhen Section of the Beijing-Hong Kong & Macao Expressway, in order to keep enriching the Group's high-quality road assets. In addition, the Group actively leverages its professional expertise in expressway construction, management, and maintenance, providing operational management and maintenance services for multiple expressways in Shenzhen. The Group possesses an attributable clean energy installed capacity of approximately 686 MW and holds an equity interest in Nanjing AVIS, a company primarily focused on post-operation maintenance services for wind power projects. Furthermore, the Group holds a financial leasing business license, endowing it with synergistic capabilities that span the investment and operation of wind and solar power projects, the provision of post-warranty operation maintenance services, and project-specific financing support. In addition, the Group has a designed organic waste treatment capacity of over 6,300 tons per day, placing it among the leading domestic industry players.

As of the date of this report, the core businesses of the Group are set out as follows:

Shenzhen Expressway Corporation Limited

Icon: ◆ Consolidated project ◇ Non-consolidated project

Main Toll Highway Business

Shenzhen region:

◆ Meiguan Expressway	100%
◆ Jihe East	100%
◆ JiheWest	100%
◆ Coastal Project	100%
◆ Outer Ring Project	100%
◆ Longda Expressway	89.93%

Other regions in Guangdong Province:

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

Other Provinces in the PRC:

◆ Changsha Ring Road	51%
◇ Nanjing Third Bridge	35%
◇ Yichang Project note 3	40%

General Environmental Business

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

Entrusted Management and Other Infrastructure Development

Industrial-Financial Integration

Other Businesses

◆ Digital Technology Company note 5	51%
◇ Yunji Intelligent	22%
◇ Unitoll Services	10.2%

Note 1: The Company invests in and/or manages a number of general-environmental protect ion projects through environmental, new energy and infrastructure environmental protection platform companies.

Note 2: The Company indirectly holds interests of GS Expressway and GZ West Expressway through holding 73.98% of the shares of Bay Area Development.

Note 3: The Company indirectly holds interest in the Yichang Project through holding 40% units of the E Fund SZ Expressway REIT.

Note 4: Toll collect ion on Shuiguan Expressway ceased from 24:00 on 25 April 2026, and toll collect ion on Shuiguan Extension ceased from 24:00 on 6 July 2026.

Note 5: Primarily focused on intra-group collaborative operations.

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

In the first half of 2026, the Chinese economy has maintained steady growth. China's gross domestic product (GDP) reached RMB69.57 trillion in the first half of 2026, representing a YOY increase of 4.7%, while total value of foreign trade imports and exports stood at RMB25.47 trillion, representing a YOY increase of 16.9%. The stable and positive growth of the Chinese economy provided solid support for road transportation and logistics demand, which boosted the demand for environmental protection-related businesses such as clean energy power generation and solid waste recycling treatment to some extent.[Source: government statistics information website]

1. Toll road business

In the first half of 2026, the national transportation authorities rolled out policies on the green and intelligent upgrading of busy road sections and the green and low-carbon transition, among others.

In April 2026, the MOT issued the *Opinions on Scientifically Carrying out Capacity Expansion, Renewal, and Renovation of National Expressways*, which has, for the first time, designated digital and intelligent capacity expansion as a stand-alone expansion method and as a mandatory and priority option for all capacity expansion projects. Meanwhile, green transition has been incorporated into the five core renovation directions, requiring the use of digital, intelligent, and low-carbon technologies to unlock the latent capacity of existing expressways and formalising the policy framework for the green and intelligent renovation of busy expressway sections. In May, eight departments including the MOT and the NDRC jointly issued the *Implementation Plan for the Project to Improve Intercity Commuting Efficiency in Metropolitan Circles (2026-2030)*, which further proposes the digital and intelligent upgrading of busy sections of ring roads, beltways, and commuting corridors in metropolitan circles, and the deployment of application scenarios for "AI + intercity commuting", defining the specific implementation scope of the intelligent renovation of busy road sections. In June, the MOT and nine other departments issued the *Three-year Action Plan for Promoting High-Quality Development of Small and Micro Passenger Car Rental (2026-2028)*, which proposed the construction of 30,000 new electric vehicle charging facilities with rated output power of 60 kW or above at highway service areas (including rest areas) by the end of 2028. In the same month, the MOT, together with ten other departments, released the *Implementation Plan for Promoting the Large-scale Application of New Energy Heavy-duty Trucks*, which explicitly calls for the construction of 30,000 kilometres of zero-carbon highway freight corridors along the key sections of the "5 radial, 4 vertical and 5 horizontals" national expressway network. Furthermore, it stipulates that during the renovation and upgrading of highway infrastructures, charging and battery-swapping facilities, as well as hydrogen refuelling and exchange stations, shall be planned, designed, and constructed simultaneously with the main projects.

Currently, as China's expressway mileage growth decelerates, the industry has transitioned from the phase of incremental growth to the phase of inventory and faced a range of operational challenges, including scarcity of high-quality new projects, escalating costs throughout the entire value chain that covers construction and maintenance, rigid policy constraints on toll rates, and persistently shrinking profitability across the sector. After nearly 30 years of development, the toll collection periods of early-stage expressways nationwide are approaching expiration, and the renovation and expansion of existing expressways will bring significant growth opportunities for the industry. In 2026, the state identified the green and intelligent renovation of busy expressway sections as a key area of support, which will enable enterprises to cultivate a secondary revenue stream, in addition to toll collections, through offering energy services and facilities, including direct supply of green electricity and ultra-fast and flash charging. Besides, industry players are also actively exploring vertical expansion along the industrial chain, development of smart transportation platforms and services, the commercialisation of in-house maintenance and management capabilities, and the low-altitude economy, in a bid to seek transition.

2. General-Environmental Protection Business

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

◆ Clean Energy Power Generation Industry:

In May 2026, the NDRC and the National Energy Administration (NEA) jointly issued the *Notice on Promoting the Orderly Development of Multi-User Direct Green Power Connection*, which aims to facilitate the direct supply of new energy to nearby enterprises, enabling precise allocation and local consumption of green electricity. In June, the NDRC and the NEA jointly promulgated the *Measures for the Minimum Share of Renewable Energy Consumption and the Implementation System for Renewable Energy Power Consumption Responsibility Weights*, which introduces a new dual-driven framework characterised by "rigid obligations on the consumption side and territorial responsibilities on the absorption side" and aims to strengthen accountability for renewable energy consumption and absorption across both provincial-level administrative regions and key energy-intensive industries. In July, the State Council issued an *Action Plan for Carbon Peaking during the 15th Five-Year Plan Period*. According to the plan, by 2030, China's carbon dioxide emissions per unit of GDP will be reduced by 17% compared with 2025, and the share of non-fossil energy consumption will reach 25%. The total installed capacity of wind and solar power will exceed 2.8 billion kilowatts. The plan mandates accelerated efforts to enhance the capacity of the power system to absorb new energy, strengthen inter-provincial and inter-regional power transmission and coordination networks, expedite the construction of ultra-high-voltage (UHV) transmission corridors, support local consumption of new energy, and promote the integrated development of source-grid-load-storage systems. In addition, multiple provinces and municipalities across the country have also rolled out policies on local consumption of new energy, grid-connected operation management, as well as implementation plans for the "new energy +" initiatives, with a view to fostering the coordinated development of new energy and other industries.

The new energy policies introduced in 2026 are primarily focused on advancing the construction of a unified national electricity market system and implementing the assessment mechanism for new energy consumption and absorption. The new energy consumption responsibility weighting assessment binds the territorial consumption responsibilities of local governments with the green power consumption obligations of enterprises. New energy power generation enterprises will no longer compete solely on the installed capacity. Enterprises with comprehensive capabilities in supporting grid retrofits, energy storage, and cross-regional green power trading will gain a competitive edge. The multi-user direct green power connection model has given rise to new business scenarios for "integrated source-grid-load-storage", which enables enterprises to offer tailor-made green power direct supply solutions for energy-intensive industrial clusters, and transform from power suppliers into integrated energy service providers, creating differentiated competitive advantages and overturning the previous pattern of the homogenous low-price competition. The implementation of green certificate trading and green premium mechanisms will help diversify the revenue streams of new energy power generation enterprises and reduce their reliance on subsidies and benchmark electricity prices, promoting the long-term healthy development of the new energy industry.

- Solid waste recycling treatment industry:

In January 2026, the State Council issued the *Action Plan for Comprehensive Treatment of Solid Waste* ("Ten Measures on Solid Waste"), marking an industrial transition from fragmented treatment to systematic remediation. The policy drives three major shifts in the treatment of solid waste: from passive end-of-pipe disposal to proactive full-process control, from reliance on fiscal subsidies to market-oriented mechanism, and from single source pollution control to coordinated pollution reduction and carbon mitigation. For the first time, all categories of solid waste are incorporated into the scope of integrated treatment. In March, the state unveiled the *Ecological and Environmental Code of the People's Republic of China*, which mandates full-process control on the treatment of solid waste and proposes the establishment of a unified national information platform for solid waste pollution prevention and control, enabling information-based traceability and supervision across all stages. In June, the NDRC issued the *"15th Five-Year Plan" for Circular Economy Development*, which proposes to consolidate the foundation for reduction, widely promote the green product design, further advance clean production across industries, and encourage green consumption throughout the society. According to the plan, China's circular economy system covering the full chain of production, consumption, recycling and reuse will become more developed by 2030, with the output efficiency of major resources expected to increase about 16% compared with 2025. By 2035, a high-quality development system for the circular economy will be mostly established, and the utilisation efficiency of major resources will reach the globally leading level.

In addition, in the recycling and comprehensive utilisation of retired power batteries of new energy vehicles, the Ministry of Industry and Information Technology and five other departments jointly released the *Interim Measures for the Administration of Recycling and Comprehensive Utilisation of Waste Power Batteries of New Energy Vehicles*, effective from April 2026. A national unified traceability information platform for power batteries will be established for supervision and management over the entire chain of the recycling and comprehensive utilisation of retired power batteries of new energy vehicles, and a standardised and safe standard system for the comprehensive utilisation of retired power batteries will be built.

The introduction of the top-level policies such as the "Ten Measures on Solid Waste" will accelerate the restructuring of the competitive landscape in the solid waste industry. The business model will shift from a "subsidy-dependent" approach to a diversified profit model encompassing "disposal + recycled products + carbon credits". The industry will upgrade from passive end-of-pipe disposal to proactive full-process control, extending along the industrial chain through technological premium and integration capabilities. Integrated service providers that master advanced extraction technologies and possess full-chain resource integration capabilities covering source collection, transportation and disposal, as well as production and sale of recycled products will gain a competitive edge, which will further encourage solid waste treatment enterprises to increase technological investment and accelerate technological iteration, achieving high added value through value addition via technological innovation and enhanced full-chain integrated service capabilities.

II. Discussion and Analysis of the Operations

During the Reporting Period, the Group recorded revenue of RMB3,653 million, representing a YOY decrease of 6.78%. Among them, toll revenue was approximately RMB2,233 million, revenue from environmental protection businesses such as clean energy and solid waste recycling treatment was approximately RMB730 million, and other revenue was approximately RMB690 million, which accounted for 61.13%, 19.98% and 18.89% of the total revenue of the Group, respectively.

(I) Toll Road Business

1. Business performance and analysis

The average daily traffic volume and toll revenue of all toll roads operated and invested by the Group in the first half of 2026 are as follows:

Toll road	Average daily mixed traffic volume (number of vehicles in thousand)(1)	YOY	Average daily toll revenue (RMB'000)	YOY
Guangdong Province – Shenzhen Region:				
Meiguan Expressway	148	-8.4%	358	-13.4%
Jihe East	304	-3.2%	1,832	-0.8%
Jihe West	226	-1.1%	1,513	-0.2%
Coastal Project(2)	234	9.5%	2,221	8.3%
Outer Ring Project	337	7.1%	3,299	5.4%
Longda Expressway	160	-1.4%	401	-2.5%
Shuiguan Extension(3)	54	0.85%	175	1.3%
Guangdong Province – Other Regions:				
Qinglian Expressway	50	-2.1%	1,977	9.0%
GS Expressway	587	-5.7%	6,835	-8.8%
GZ West Expressway	253	-2.7%	3,057	1.6%
Yangmao Expressway	54	-3.26%	2,036	-3.6%
GZ W2 Expressway	88	-1.9%	1,248	-5.3%
Other Provinces in the PRC:				
Changsha Ring Road	84	-7.0%	646	-4.4%
Nanjing Third Bridge	38	-0.9%	1,538	3.3%
Yichang Project	46	-0.2%	977	1.9%

Notes:

(1) The average daily mixed traffic volume data excludes toll-free traffic volume during holiday periods. The toll revenue listed in the above table is tax exclusive.

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

(3) Toll collection on Shuiguan Extension ceased from 24:00 on 6 July 2026. Besides, toll collection on Shuiguan Expressway ceased from 24:00 on 25 April 2026. For details, please refer to the announcement dated 23 April 2026.

During the Reporting Period, the improved connectivity of the surrounding road network has effectively boosted the traffic growth on some road sections of the Group. However, due to the combined effects of an increase in the number of toll-free days for small passenger vehicles during holidays compared with the same period last year, the expiry of the toll period for Shuiguan Expressway and other factors, the Group's toll revenue decreased by 8.8% YOY. Excluding the impact of Shuiguan Expressway, the Group's toll revenue increased by 3.3% YOY on a like-for-like basis.

(1) Guangdong province – Shenzhen region

During the Reporting Period, the interconnection of highways generated positive synergies for the Group's higher traffic volumes in Shenzhen.

The opening of the Shenzhen-Zhongshan Link and Coastal Phase II in late June 2024 has continued to drive the traffic growth on the Coastal Expressway and Jihe Expressway. The openings of the Kengzi East Interchange crossing section and the Xinwei Toll Station of the Outer Ring Expressway in the first half of 2025 have promoted the interconnection between the Outer Ring Expressway and Shenzhen's eastern and northern regions. The synergistic effects of the road network have gradually become evident, leading to a steady increase in the traffic volume on the Outer Ring Expressway. In late June 2026, the handover and acceptance of the Jinsha Interchange of the Outer Ring Phase II was completed, which will further improve the regional road network and have a positive impact on the future operational performance of the Outer Ring Expressway. In addition, the completion and opening of the Hehui section reconstruction and expansion project of the Changshen Expressway, as well as the reconstruction and expansion of expressways such as Changhu Expressway, have had a positive impact on the Coastal Project and the Outer Ring Expressway. The construction of the Dachan Bay area in Shenzhen and the opening of "Penguin Island", Tencent's headquarters campus, in October 2025 have been conducive to the traffic growth on the Coastal Project and the Outer Ring Expressway.

In order to improve the connectivity of the road network after the expiry of the toll period for Shuiguan Expressway, the Company carried out renovation works at the exit plaza of He'ao Toll Station from 26 April to 30 June 2026. The renovated He'ao Toll Station was officially put into operation at 22:00 on 30 June 2026. Eastbound vehicles on the Jihe Expressway can now directly access Longgang Avenue via He'ao Toll Station, which will effectively remove the blockages on Jihe Expressway, Shuiguan Expressway and Longgang Avenue, improve the traffic efficiency of the regional road network, and have a positive impact on the operational performance of Jihe Expressway.

(2) Guangdong province – Other regions

Qinglian Expressway successfully completed its road upgrade project in late June 2025, which contributed positively to its operational performance. The opening of the South Section of Guangzhou Baiyun International Airport Second Expressway in November 2025 has diverted certain traffic from Qinglian Expressway. Additionally, the opening or maintenance of connecting or adjacent road networks generally had a positive impact on the operational performance of Qinglian Expressway. Due to the combined effects of the above factors, Qinglian Expressway recorded a YOY increase in the average daily toll revenue but a slight YOY decrease in the average daily traffic volume during the Reporting Period.

The reconstruction and expansion project for the SG section of the GS Expressway has entered the full-scale construction phase, with one slow lane closed and speed limits imposed on certain sections, which has had a negative impact on its operational performance. Huanggang Checkpoint stopped providing cross-border freight vehicle clearance services from 00:00 on 21 December 2025, and cross-border freight vehicles were redirected to other checkpoints for clearance, which has adversely affected freight vehicle traffic volumes on the GS Expressway. Besides, following the opening of the Shenzhen-Zhongshan Link, some vehicles that previously used the Humen Bridge or Nansha Bridge for travel between eastern and western Guangdong have now shifted to the new route, leading to shortened travel distances on the GS Expressway. Due to the combined effects of the above factors, GS Expressway recorded a YOY decrease in both average daily toll revenue and average daily traffic volume during the Reporting Period.

GZ West Expressway is a component of the Pearl River Delta ring expressway network. The stable economic development of the cities along the expressway has provided solid support for its sustained and stable operational performance. However, the successive openings of Shenzhen-Zhongshan Link, Zhongkai Expressway, Yongning Interchange of Zhongshan West Ring Expressway and others have diverted certain traffic volume from GZ West Expressway. Due to the combined impact of these factors, GZ West Expressway recorded a marginal YOY increase in the average daily toll revenue but a slight YOY decrease in the average daily traffic volume during the Reporting Period.

The Guangzhou-Zhanjiang High-Speed Railway, which runs largely in parallel to Yangmao Expressway, was opened to traffic at the end of 2025. Moreover, as Yangxin Expressway implemented a toll-free policy for six months following its opening at the end of 2025, some vehicles have made a detour to Yangxin Expressway, resulting in diversion of traffic from Yangmao Expressway. Furthermore, the adjacent Maozhan Expressway raised its toll rates starting in 2025, causing some large trucks to switch to alternative routes and leading to a decline in traffic on Yangmao Expressway. Due to the combined impact of the above factors, Yangmao Expressway recorded a marginal YOY decrease in both average daily toll revenue and average daily traffic volume during the Reporting Period.

Toll collection on Guanghe Bridge ceased from 00:00 on 8 April 2025. Additionally, a 15% discount policy for all ETC trucks was implemented on certain surrounding road sections starting from 30 May 2025. These factors caused diversion from GZ W2 Expressway. Consequently, both average daily toll revenue and traffic volume for GZ W2 Expressway decreased YOY during the Reporting Period.

(3) Other Provinces

The successive opening of the surrounding road networks such as Xinglian Road Bridge in Changsha has diverted traffic from Changsha Ring Road. During the Reporting Period, Changsha Ring Road recorded a YOY decrease in both average daily traffic volume and toll revenue. The commencement of Yichang North Expressway (Yiyang-Changde) operations in late December 2024 diverted traffic from Yichang Expressway. During the Reporting Period, the impact of such diversion was generally stable, and the average daily traffic volume and toll revenue of Yichang Expressway remained largely flat YOY.

During the Reporting Period, Nanjing Third Bridge's freight traffic increased, which had a positive impact on its toll revenue. However, the opening of the Nanjing Xinshengwei Yangtze River Bridge in November 2025 has diverted some traffic from the Nanjing Third Bridge. Due to the combined impact of the above factors, Nanjing Third Bridge recorded a YOY increase in the average daily toll revenue but a marginal YOY decrease in the average daily traffic volume during the Reporting Period.

2. Construction of major projects

During the Reporting Period, significant progress has been made in the construction of Outer Ring Phase III. The B ramp of the Tiantou Mountain Tunnel has been successfully connected to the mainline right bore, which represents the most difficult part of the project due to the complex geological conditions and creates favourable conditions for the subsequent construction of the large-arch section of the mainline. As at the end of the Reporting Period, the Outer Ring Phase III has seen approximately 40% progress in physical shape.

The construction of the main part of the Jihe Expressway R&E project is underway. As at the end of the Reporting Period, approximately 27% of the main part of the Jihe Expressway R&E project had been completed in terms of progress in physical shape.

The Company indirectly holds 45% equity interests in Guangzhou-Shenzhen section of the Beijing-Hong Kong-Macao Expressway through Bay Area Development. The reconstruction and expansion project of SG section has commenced full-scale construction. The reconstruction and expansion project of Shenzhen section commenced construction for its pilot section at the end of 2025.

(II) General-Environmental Protection Business

1. Clean energy power generation

The Group's clean energy business primarily comprises wind power and photovoltaic (PV) power generation. As at the end of the Reporting Period, the Group held a total attributable installed capacity of approximately 686 MW in clean energy power generation. In the wind power segment, the Group has a total attributable installed capacity of approximately 677 MW. In the photovoltaic segment, the Group held a total attributable installed PV capacity of approximately 9.4 MW. During the Reporting Period, Baotou Nanfeng saw a decrease in wind resources and market trading electricity prices compared to the same period last year, resulting in a decline of approximately 11.8% in on-grid power supply and 18.6% in revenue from electricity sales compared to the same period last year. Overall wind resources in Xinjiang Mulei remained flat from the same period last year but wind curtailment rate went up, leading to a YOY decline of 12.7% and 6.1% in on-grid power supply and revenue from wind power generation. In addition, during the Reporting Period, several wind turbines at Yongcheng Zhuneng restored operation, resulting in a YOY increase in on-grid power supply. At Zhongwei Gantang, wind resources were better than that in the same period last year, but the market trading electricity prices declined. On-grid power supply grew over 30% YOY, with revenue from electricity sales increasing by 17.1%. In the first half of 2026, the main operating data of new energy power generation projects of the Group are as follows:

Clean energy power generation			On-grid power supply (MWh)[1]		Power generation revenue (RMB'000)[1]	
Project	Share-holding ratio of the Group	Revenue Consolidation ratio	January to June 2026	YOY (%)	January to June 2026	YOY (%)
I. Wind power project						
Baotou Nanfeng	100%	100%	**313,332.96**	**-11.8**	**83,838.51**	**-18.6**
Xinjiang Mulei	100%	100%	**310,740.94**	**-12.7**	**148,149.14**	**-6.1**
Yongcheng Zhuneng	100%	100%	**39,033.60**	**6.7**	**11,517.03**	**36.9**
Zhongwei Gantang	100%	100%	**64,389.60**	**33.3**	**11,588.43**	**17.1**
Zhangshu Gaochuan	100%	100%	**22,329.69**	**-8.9**	**8,081.02**	**-9.3**
Huai'an Zhongheng	20%	–	**101,076.10**	**-18.9**	**48,698.26**	**-19.0**
II. PV power generation						
Shengneng Technology	100%	100%	**1,766.41**	**-8.6**	**852.56**	**-1.8**
Shanghai Guangming	50%	–	**8,472.87**	**N/A**	**3,892.65**	**N/A**

Note:

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

2. Solid waste recycling treatment

◆ Organic waste treatment

As at the end of the Reporting Period, the Group's designed organic waste treatment capacity is over 6,300 tons per day. Among them, projects with a total designed capacity of 5,126.5 tons per day have commenced commercial operation, while the rest are in the trial operation phase.

During the Reporting Period, the Group, with "quality improvement and efficiency enhancement" as its core objectives, has systematically advanced optimisation across waste collection & transportation and production processes, as well as remediation of key projects. The food waste collection and transportation volume and the recovered grease volume increased compared with the same period last year. The operating status of the major organic waste treatment projects managed by the Group during the reporting period are set out below:

Bioland improved its operational performance through end-to-end optimisation of waste collection and production processing, concurrent implementation of technical retrofits, and enhanced cost and expense controls during the Reporting Period, with YOY increases in the food waste treatment volume and grease sales volume. However, due to a combination of factors, including relatively high initial investment and construction costs for certain projects and prolonged receivable collection cycles amid overall external conditions, Bioland faced some operational challenges during the Reporting Period.

The Guangming Environmental Park Project officially commenced commercial operations in February 2025. It has secured the official permit for food waste collection and treatment in Guangming District, Shenzhen and also assists in collecting and treating food waste from parts of Bao'an District, Shenzhen. Due to insufficient volume of food waste collection and treatment, the project did not achieve profitability during the Reporting Period.

Lisai Environmental has a concession service area that covers Longhua District, Shenzhen, and assists in the treatment of certain kitchen waste in Futian District. Lisai Environmental officially commenced commercial operation in December 2017, with a kitchen waste treatment capacity of 500 tons/day. Its operations remained largely stable during the Reporting Period.

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

In the first half of 2026, the key operating data of the Group's organic waste treatment projects are as follows:

Organic waste			Organic waste disposal volume (thousand tons)		Operating revenue (RMB'000)[1]	
Project	Share-holding ratio of the Group	Revenue Consolidation ratio	January to June 2026	YOY (%)	January to June 2026	YOY (%)
I. Bioland	96.60%	100%	524.45	3.9	264,568.51	6.9
II. Guangming Environmental Park	100%	100%	66.88	-9.9	42,864.71	-3.8
III. Lisai Environmental	70%	100%	94.31	17.6	62,139.96	9.5
IV. Shaoyang Project	100%	100%	21.05	4.8	14,434.65	-20.9
Total			706.69	4.1	384,008.83	4.6

Note:

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

◆ Battery Comprehensive Utilisation and Energy Storage Business

Affected by industry factors in recent years, such as the decline in the market price of scrap metals, the limited scale of end-of-life vehicle (ELV) recycling, and the continuous pressure on the prices of lithium-ion battery materials, the ELV dismantling and battery recycling business of Shenshan Qiantai has fallen short of expectations. Consequently, Shenshan Qiantai has proactively scaled back these operations and refocused its efforts on battery-swapping energy storage products for two-wheeler, as well as commercial and industrial energy storage products. As at the end of the Reporting Period, a cumulative total of over 970 battery-swapping cabinets had been put into operation, equipped with more than 15,500 battery packs, with a battery utilisation rate exceeding 70%. In addition, it has launched small-scale pilot programs for the sales of commercial and industrial energy storage products and the deployment of application-side energy storage.

3. Water environment governance and others

The Group holds 20% equity interests in Derun Environment. Derun Environment is a comprehensive environmental protection investment enterprise, with holding subsidiaries such as Chongqing Water (stock code: 601158) and Sanfeng Environment (stock code: 601827) which are listed on the domestic main board. The major business segments include water supply and sewage treatment, waste incineration power generation, environmental restoration, etc. For the main businesses and operation of Chongqing Water and Sanfeng Environment, please refer to their 2026 interim reports.

The Group holds 11.25% equity interests in Shenzhen Water Planning (stock code: 301038), a company listed on the ChiNext Market of the Shenzhen Stock Exchange. For information of the business development of Shenzhen Water Planning, please refer to its 2026 interim report.

For the profitability of the general-environmental protection projects during the Reporting Period, please refer to the relevant contents in "Financial Analysis" below and to the Financial Statements notes V\46 and V\49 in this report.

(III) Entrusted Management and the Development of Other Infrastructure

1. Entrusted construction business and entrusted management business

During the Reporting Period, approximately 71.5% of the site levelling work at the public facilities of the Shenshan Environmental Park, the Group's entrusted construction project, had been completed in terms of physical progress. The main works of Lvbao Road (from Tonggang Avenue to Chemical Park section) had been completed. About 48.7% of the waste transfer station project had been completed in terms of physical progress.

The Group implemented the comprehensive management and maintenance projects for the Four Expressways and the Southern Section of Qingping Expressway Phase II in an orderly manner. During the Reporting Period, the Operation Company was awarded 3 service projects.

For details of the incomes and expenses of major entrusted management businesses during the Reporting Period, please refer to the contents in "Financial Analysis" below and the relevant contents to the Financial Statements note V\46 in this report.

2. Development and management of land projects

(1) Guilong regional development project

The project developed by holding subsidiary Guishen Company in Longli County, Guizhou Province is named as "Youshan Villa", with some completed commercial housing units still available for sale. The "Youxiang Apartment", a summer vacation and wellness project developed by Guishen Company at the Youshan Villa Project site, commenced trial operation in April 2025. By implementing a marketing strategy that "integrates real estate with wellness", the Company aims to enhance the added value of the Project and boost sales.

(2) Meilin Checkpoint Renewal Project

The Meilin Checkpoint Renewal Project developed by United Land, in which the Group holds 34.3% equity interests, still has remaining offices, commercial properties, and business apartments available for sale. Except for the parts that have been delivered to the resettled property owners, the remaining parts of the office properties have been put up for sale. As at the end of the Reporting Period, a portion of the commercial properties and business apartments had been sold.

(3) Xintang Project

The Xintang Project (Park Uptown Project), in which the Group indirectly holds a 15% equity interest through Bay Area Development, involves the comprehensive development of approximately 196,000 square metres of former transportation land of GS Expressway in Xintang Town, Zengcheng District, Guangzhou. For details of the Xintang Project, please refer to Bay Area Development's 2026 interim report.

(IV) Industrial-financial Integration

The Group holds approximately 3.44% equity interests in Bank of Guizhou (stock code: 06199.HK). For the business development of Bank of Guizhou, please refer to its 2026 interim report.

The Group's wholly-owned subsidiary Financial Leasing Company primarily provides financial leasing services focusing on the main businesses, and upstream and downstream businesses of the Group. The overall operating performance remained stable during the Reporting Period.

The Group holds a 45% interest of Foshan Shunde Shengchuang Shenzhen Expressway Environmental Technology Industry M&A Investment Partnership (Limited Partnership) ("Shengchuang Fund"). As at the end of the Reporting Period, the total paid-in size of the fund was RMB300 million, of which the Company's paid-in capital was RMB135 million. Since its establishment, the fund has made investments in two environmental protection projects, and is currently advancing the withdrawal of the projects.

The Group holds a 7.48% interest in Shenzhen State-owned Assets Collaborative Development Private Fund Partnership (Limited Partnership) ("State-owned Assets Collaborative Development Fund"). The overall size of the fund is RMB4.01 billion, in which the Company's contribution is RMB300 million. To date, RMB41 million of the invested principal has been recovered. The fund mainly invested in strategic emerging industries, environmental protection, infrastructure, etc.

(V) Other Businesses

The Group holds 22% equity interests in Yunji Intelligent (formerly known as "Consulting Company"), 51% equity interests in Digital Technology Company, and 10.2% equity interests in Unitoll Services, respectively, and operates elderly care and integrated community services business in Guangming District, Shenzhen. The revenue and profit contribution of these businesses currently account for a small proportion in the Group. For details of other businesses during the Reporting Period, please refer to the relevant contents of notes V\12, V\13, V\46, V\49 and V\50 to the Financial Statements in this report.

III. Analysis of Core Competitiveness during the Reporting Period

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

State-owned infrastructure platform advantage in the Greater Bay Area: The Group is a platform for the "investment, construction, operation, management and maintenance" of highways and general-environmental infrastructure under the Shenzhen SASAC, with its core assets highly concentrated in the Guangdong-Hong Kong-Macao Greater Bay Area. The Group seized the opportunities from the development of the "two regions" and leveraged the synergistic advantages as a state-owned platform to consolidate its presence in urban construction and integrated infrastructure services in the region. With well-established service capabilities across investment, construction, management and maintenance, the Group has emerged as a prominent state-owned player in the infrastructure construction in the Guangdong-Hong Kong-Macao Greater Bay Area.

Comprehensive integrated management capability: The Group has been dedicated to the transportation infrastructure industry for years, and developed comprehensive integrated management capabilities covering the full chain of investment, construction, operation, management and maintenance in heavy-asset concession projects. Based on this core competency, the Group, on the one hand, carried out the construction, operation, maintenance and management of a number of public projects actively through participation in government bidding. On the other hand, upon entering the clean energy power generation and solid waste recycling treatment business sectors with business models similar to those of toll roads, the Group continued to leverage its comprehensive integrated management capabilities to pursue strategic industrial deployment. In the future, the Group will further ramp up its professional management capabilities in the general environmental protection business to enhance its industrial competitiveness.

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

Good financing platform: Listed in both Shanghai and Hong Kong, the Group has a good financing platform for the capital markets in both places. In the meanwhile, the Group has been maintaining high domestic and overseas credit ratings, and good long-term cooperative relationships with banks and other financial institutions, and establishing smooth financing channels, enabling it to raise funds for corporate development and control financial costs effectively. For details of the results of the Group's financial strategies as well as capital management and financing arrangements, please refer to "Financial Analysis" below.

IV. Financial Analysis

In the first half of 2026, the Group recorded a net profit attributable to owners of the parent company ("net profit") of RMB918,846,000 (2025 Interim: RMB959,892,000), representing a YOY decrease of 4.28%. This decrease was primarily attributable to fair value losses on equity interests in the participating companies held by the Group, arising from fluctuations in share prices and other factors (compared with gains in the corresponding period of the prior year), as well as the decrease in profits related to the expiration of Shuiguan Expressway's toll collection. Excluding the impact of Shuiguan Expressway, the net profit attributable to the parent company remained broadly flat compared with the corresponding period last year.

Management Discussion and Analysis

(I) Analysis of Core Businesses

1. Analysis of changes in the items related to the financial statements

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Revenue	**3,652,853**	3,918,555	-6.78
Cost of services	**2,322,824**	2,470,334	-5.97
Sales expenses	**2,119**	4,818	-56.02
General administrative expenses	**148,286**	168,509	-12.00
Financial expenses	**266,732**	389,906	-31.59
Research and development expenses	**16,714**	14,842	12.62
Investment income	**453,056**	411,862	10.00
Impairment losses on assets and credit	**54,411**	92,158	-40.96
Gains from changes in fair value	**-107,864**	76,421	-241.14
Income tax expenses	**187,805**	224,653	-16.40
Net cash flows from operating activities	**2,039,235**	1,954,979	4.31
Net cash flows from investing activities	**-1,928,040**	-4,600,360	N/A
Net cash flows from financing activities	**-858,900**	4,391,205	-119.56

Reasons for changes in revenue: mainly due to the expiration of Shuiguan Expressway's toll collection for the current period, resulting in a decrease in the toll revenue. Excluding the impact of Shuiguan Expressway, the revenue remained broadly flat compared with the corresponding period last year.

Reasons for changes in cost of services: mainly due to the expiration of Shuiguan Expressway's toll collection for the current period, resulting in a decrease in the relevant cost. Excluding the impact of Shuiguan Expressway, the cost of services increased by 1.92% YOY.

Reasons for changes in sales expenses: mainly due to the adjustment of selling expenses in light of actual business conditions.

Reasons for changes in general administrative expenses: mainly due to the transfer of a portion of performance bonuses accrued in general administrative expenses at the end of the prior year to cost of services in accordance with actual distribution circumstances.

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

Reasons for changes in R&D expenses: mainly due to the increase in research and development investment for the current period.

Reasons for changes in investment income: mainly due to the increase in the investment income attributable to United Land and Xintang JV for the current period.

Reasons for changes in impairment losses on assets and credit: mainly due to a YOY decrease in impairment provisions recognised for receivables, inventories, and fixed assets, based on the asset review and valuation conducted in the current period.

Reasons for gains from changes in fair value: mainly due to fair value losses on equity interests in the participating companies held by the Group, arising from fluctuations in share prices and other factors (compared with gains in the corresponding period of the prior year).

Reasons for changes in income tax expenses: mainly due to the decrease in gains from changes in fair value of the equity interests held in the participating companies for the current period, resulting in a decrease in the corresponding deferred income tax expenses.

Reasons for changes in net cash flows from operating activities: mainly due to the receipt of the freight subsidy of the prior year for Coastal Expressway and an increase in electricity tariff subsidy for new energy business for the current period.

Reasons for changes in net cash flows from investing activities: mainly due to a YOY decrease in the net increase of structured deposits (purchase less redemption) for the current period, as well as a YOY decrease in the payments for the Jihe Expressway R&E Project and Outer Ring Phase III Project for the current period.

Reasons for changes in net cash flows from financing activities: mainly due to the funds raised from the issuance of ordinary A shares to specific targets for the corresponding period last year and the acquisition of minority interests in Bay Area Development in the current period.

2. Analysis of revenue and cost

(1) Revenue, cost of services, and gross profit margin:

During the Reporting Period, the Group recorded revenue of RMB3,652,853,000 (2025 Interim: RMB3,918,555,000), representing a YOY decrease of 6.78%; the cost of services amounted to RMB2,322,824,000 (2025 Interim: RMB2,470,334,000), representing a YOY decrease of 5.97%; the gross profit margin was 36.41% (2025 Interim: 36.96%), representing a YOY decrease of 0.55 percentage points. The detailed analysis is as follows:

Unit: '000 Currency: RMB

Segment	Revenue	Cost of services	Gross profit margin (%)	YOY change in revenue (%)	YOY change in cost of services (%)	YOY change in gross profit margin (%)	Description
Main business – toll roads	2,233,027	1,173,373	47.45	-8.83	-5.49	Decrease of 1.86 pp	(1)
Main business – clean energy power generation	264,027	133,664	49.37	-8.62	-7.43	Decrease of 0.65 pp	(2)
Main business – solid waste recycling treatment – kitchen waste treatment	393,399	348,044	11.53	0.80	1.89	Decrease of 0.95 pp	(3)
Main business – solid waste recycling treatment – ELV dismantling and battery recycling	71,793	74,683	-4.03	5.26	-12.99	Increase of 21.82 pp	(4)
Main business – other environmental protection businesses	1,048	7,510	-616.77	-58.38	23.58	Decrease of 475.35 pp	
Other business – entrusted construction and management	103,630	93,353	9.92	-23.58	-24.09	Increase of 0.61 pp	
Other business – real estate development	38,182	30,141	21.06	349.95	320.79	Increase of 5.47 pp	(5)
Other business –construction services under concession arrangements	411,844	385,790	6.33	-10.59	-12.84	Increase of 2.42 pp	
Other business – other	135,904	76,265	43.88	18.72	-2.36	Increase of 12.12 pp	(6)
Total	**3,652,853**	**2,322,824**	**36.41**	**-6.78**	**-5.97**	**Decrease of 0.55 pp**	

Description:

(1) Mainly affected by factors including the increase in the amortisation amount per vehicle traffic of Coastal Expressway effective from July 2025, as well as employee compensation for loss of office and road handover maintenance expenses arising from the expiration of Shuiguan Expressway's toll collection, the gross profit margin of the toll road business recorded a YOY decrease.

(2) Mainly affected by factors including the reduced wind resources of some projects, the increase in power rationing rates, and the decline in the settlement unit prices of electricity fees, the gross profit margin of the clean energy power generation business recorded a YOY decrease.

(3) Mainly affected by changes in the settlement terms of certain projects, the gross profit margin of the kitchen waste treatment business recorded a YOY decrease.

(4) Mainly affected by factors including the rise in battery prices and the settlement of vehicle dismantling business, the gross profit margin of the vehicle dismantling and battery recycling business recorded a YOY increase.

(5) Mainly affected by the provision for inventory impairment recognised for the Guilong Development Project in the prior year, the cost of sales carried forward with property sales decreased this year, resulting in a YOY increase in the gross profit margin of the real estate development business.

(6) Mainly due to the improvement in the occupancy rate of elderly care business, as well as the expiration of depreciation on existing operating leased equipment, the revenue from the elderly care business increased, while the costs of the operating leasing business decreased, resulting in an overall YOY increase in the gross profit margin of other businesses.

(2) Analysis of cost of services

During the Reporting Period, the cost of services of the Group amounted to RMB2,322,824,000 (2025 Interim: RMB2,470,334,000), representing a YOY decrease of 5.97%.

Unit: '000 Currency: RMB

Segment	Cost item	Amount for the current period	Amount for the current period as a percentage of total costs (%)	Amount for the corresponding period of last year	Amount for the corresponding period of last year as a percentage of total costs (%)	YOY change (%)	Description
Cost of main business – toll roads	Employee expenses	**278,157**	11.97	219,569	8.89	26.68	(1)
	Road maintenance expenses	**110,036**	4.74	111,047	4.50	-0.91	
	Depreciation and amortisation	**710,285**	30.61	831,628	33.66	-14.59	(2)
	Other business costs	**74,895**	3.19	79,308	3.21	-5.56	
	Subtotal	**1,173,373**	50.51	1,241,552	50.26	-5.49	
Cost of main business – clean energy power generation		**133,664**	5.75	144,393	5.85	-7.43	
Cost of main business – solid waste recycling treatment – kitchen waste treatment	Employee expenses	**45,666**	1.97	49,780	2.02	-8.26	
	Waste treatment expenses	**144,855**	6.23	144,401	5.85	0.31	
	Depreciation and amortisation	**130,406**	5.61	128,630	5.21	1.38	
	Other business costs	**27,117**	1.18	18,780	0.76	44.40	(3)
	Subtotal	**348,044**	14.98	341,591	13.83	1.89	
Cost of main business – solid waste recycling treatment – ELV dismantling and battery recycling		**74,683**	3.22	85,830	3.47	-12.99	(4)
Cost of main business – other environmental protection businesses		**7,510**	0.32	6,077	0.25	23.58	
Other business cost – entrusted construction and management		**93,353**	4.02	122,980	4.98	-24.09	(5)
Other business cost – real estate development		**30,141**	1.30	7,163	0.29	320.79	(6)
Other business cost – construction services under concession arrangements		**385,790**	16.61	442,637	17.92	-12.84	(7)
Other business cost – other		**76,265**	3.28	78,111	3.16	-2.36	
Total cost of services		**2,322,824**	100.00	2,470,334	100.00	-5.97	

Description:

(1) Mainly due to the provision for employee severance compensation arising from the expiration of the toll collection period of Shuiguan Expressway.

(2) Mainly due to the decrease in the depreciation and amortisation in the current period arising from the expiration of the toll collection period of Shuiguan Expressway.

(3) Mainly due to the increase in vehicles fees for waste collection and disposal.

(4) Mainly due to the decrease in the battery lease business volume of Shenshan Qiantai, resulting in a decrease in corresponding costs.

(5) Mainly due to the decrease in the construction volume of road management and maintenance projects, incurring a YOY decrease in corresponding business costs.

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

(7) Mainly due to the YOY decrease in the construction service cost recognised based on progress during the current period under concession arrangements of projects such as Jihe Expressway R&E Project and Outer Ring Phase III.

3. Explanation of changes in financial expenses

During the Reporting Period, the Group's financial expenses amounted to RMB266,732,000 (2025 Interim: RMB389,906,000), representing a YOY decrease of 31.59%, mainly due to the decrease in the Group's average financing interest rate by 0.2 percentage points and average borrowing size by approximately RMB2 billion, resulting in a decrease in the interest expense, and the appreciation of the RMB, resulting in an increase in the foreign exchange gains.

Unit: '000 Currency: RMB

Financial expenses item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Interest expenses	**375,681**	441,661	-14.94
Less: Interest capitalised	**300**	–	N/A
Interest income	**25,394**	41,895	-39.39
Add: Exchange gains or losses	**-86,924**	-16,281	433.90
Other	**3,669**	6,420	-42.86
Total financial expenses	**266,732**	389,906	-31.59

4. Explanation of changes in asset and credit impairment losses

During the Reporting Period, the Group's asset and credit impairment losses amounted to RMB54,411,000 (2025 Interim: RMB92,158,000), representing a YOY decrease of 40.96%. This was primarily due to the decrease in impairment provisions recognised for receivables, inventories and fixed assets during the current period, based on the results of asset review and assessment.

5. Explanation of changes in investment income

During the Reporting Period, the Group's investment income amounted to RMB453,056,000 (2025 Interim: 411,862,000), representing a YOY increase of 10%, mainly attributable to the inventory impairment provisions recorded by the participating companies, United Land and Xintang JV, in the same period of the previous year. A detailed analysis is as follows:

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
1. Investment income attributable to associates/ joint ventures:			
Total of toll road associates/joint ventures	**255,291**	281,372	-9.27
United Land	**9,919**	-18,121	N/A
Derun Environment	**89,079**	87,693	1.58
Other [Note]	**75,606**	42,237	79.01
Subtotal	**429,895**	393,180	9.34
2. Investment income from other non-current financial assets	**11,646**	13,032	-10.64
3. Income from investment in wealth management products	**11,515**	5,650	103.82
Total	**453,056**	411,862	10.00

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

(II) Explanation of Significant Profit Changes Attributable to Non-core Businesses

✓ Applicable ☐ Not applicable

During the Reporting Period, the Group's fair value change gains decreased by RMB184,285,000 YOY. For details, please refer to Note V\50 to the financial statements in this report.

(III) Analysis of Assets and Liabilities

1. Assets and liabilities

As at 30 June 2026, the Group's total assets amounted to RMB70,448,416,000 (31 December 2025: RMB71,289,150,000), representing a decrease of 1.18% compared to the end of last year; the Group's interest-bearing liabilities amounted to RMB31,213,220,000 (31 December 2025: RMB31,425,091,000), representing a decrease of 0.67% compared to the end of last year.

The detailed analysis of assets and liabilities is as follows:

Unit: '000 Currency: RMB

Name of item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of total assets (%)	Amount as at the end of last year	Amount as at the end of last year as a percentage of total assets (%)	Change in amount as at the end of the current period as compared to the end of last year (%)	Description
Transactional financial assets	**4,136,048**	**5.87**	2,557,452	3.59	61.73	(1)
Other current assets	**427,651**	**0.61**	654,021	0.92	-34.61	(2)
Long-term prepaid expenses	**22,363**	**0.03**	15,945	0.02	40.25	(3)
Other non-current assets	**1,279,590**	**1.81**	925,556	1.30	38.25	(4)
Transactional financial liabilities	**–**	**–**	270,588	0.38	-100.00	(5)
Bills payable	**453,897**	**0.64**	334,726	0.47	35.60	(6)
Accounts payable	**1,976,076**	**2.80**	2,869,402	4.03	-31.13	(7)
Other payables	**2,068,738**	**2.93**	1,258,603	1.77	64.37	(8)
Other current liabilities	**31,714**	**0.04**	1,552,695	2.18	-97.96	(9)
Lease liabilities	**9,165**	**0.01**	14,520	0.02	-36.88	(10)

Explanation of assets and liabilities:

(1) Utilisation of temporarily idle proceeds from issuance and self-owned funds for structured deposits.

(2) Maturity of large-denomination certificates of deposit.

(3) Carry-forward of related expenditures upon the completion of the service area reconstruction project of Outer Ring Expressway.

(4) Pursuant to the resolution of the general meeting of Guangshenzhu Company, Bay Area Development proposes to convert part of dividends receivable into capital and classify them as "Other non-current assets".

(5) The difference make-up has been completed and the related difference make-up amount has been determined and will be classified from "Transactional financial liabilities" into "Other payables".

(6) Payment for the Jihe Expressway R&E Project and Outer Ring Phase III by commercial bills.

(7) Payment of payables for construction projects.

(8) Provision for dividends in 2025 and classification of the obligation to pay the difference payable from "Transactional financial liabilities" into "Other payables".

(9) Issuance of medium – to long-term bonds to repay ultra-short-term financing notes.

(10) The amount of lease liabilities due within one year has been reclassified from the "lease liabilities" caption to "non-current liabilities due within one year".

2. Overseas assets

The Group's overseas assets were RMB1,229,787,000, accounting for 1.75% of the total assets. Overseas assets mainly consist of the overseas bank deposits held by Mei Wah Company, a wholly-owned overseas subsidiary of the Company, and its subsidiaries, which together represent a relatively small proportion of the Group's total assets.

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

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

Restriction on the assets involved with the balance of secured loans as at the end of the Reporting Period					
Assets	Category	Beneficiary of security	Scope of security	Balance of secured loans as at the end of the Reporting Period (RMB100 million)	Term
Toll collection rights of Qinglian Expressway	Pledge	Industrial and Commercial Bank of China Limited Qingyuan Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB2,889 million	15.50	Until repayment of all liabilities under the loan agreement
Toll collection rights of Coastal Expressway	Pledge	China Development Bank Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB1,000 million	0.27	Until repayment of all liabilities under the loan agreement
Equity interests, franchise rights, accounts receivable and production equipment, among other assets, of various subsidiaries of Bioland	Pledges and mortgages	Various banks	Principal and interests of bank loans for various projects in an aggregate amount of RMB1,497 million	8.63	Certain periods after the repayment of liabilities
100% equity interests in Qianzhi, Qianhui and Qianxin Companies	Pledge	ICBC Shenzhen Futian Sub-branch	Principal and interests of loans for acquisition in an aggregate amount of not more than RMB609 million	1.68	Until repayment of all liabilities under the loan agreement
Accounts receivable accruing under franchise rights of Guangming Environment and Shaoyang Project	Pledge	Bank of China Limited Shenzhen Central District and Shaoyang Branches	Principal and interests of fixed asset loans in an aggregate amount of RMB937 million	6.44	Until repayment of all liabilities under the loan agreement
Tariff collection rights of the Yongcheng Zhuneng Project	Pledge	Agricultural Bank of China Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB182 million	1.40	Until repayment of all liabilities under the loan agreement
Pledge on tariff collection rights of the Mulei Project	Pledge	China Construction Bank Urumqi Sub-branch	Principal and interests of project loan in an amount of RMB1,843 million	12.08	Until repayment of all liabilities under the loan agreement
Pledge on tariff collection rights of the Baotou Lingxiang, Baotou Ningyuan, Baotou Ningxiang, Baotou Ningfeng, and Baotou Nanchuan Projects	Pledge	Agricultural Bank of China Shenzhen Branch, China Merchants Bank Baotou Branch	Principal and interests of project loan in an amount of RMB1,181 million	8.54	Until repayment of all liabilities under the loan agreement

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

Type of restricted capital	Amount subject to Restrictions (RMB100 million)
Funds in special deposit accounts for entrusted construction and management projects	1.13
Funds in the co-managed account	2.50
Security deposit	0.24
Fund frozen due to litigations	0.57
Total	**4.45**

Details of restriction of assets:

(1) Details of the restrictions on the Group's major assets as at the end of the Reporting Period are set out in Note V\22 to the Financial Statements in this report.

4. Capital structure and debt repayment capability

The Group is always committed to maintaining a rational capital structure and enhancing its profitability to maintain its good credit ratings and solid financial position. Given the Group's stable and robust operating cash flows, and strong capabilities in financing and capital management, the Group's financial structure was at a safe level at the end of the Reporting Period.

Key indicators	Amount as at the end of the current period	Amount as at the end of last year
Debt-to-asset ratio (total liabilities/total assets)	**54.62%**	55.04%
Net borrowings-to-equity ratio ((total borrowings – cash and cash equivalents)/total equity)	**85.15%**	83.24%

	Amount for the current period	Amount for the corresponding period of last year
Net borrowing/EBITDA ((total borrowings – cash and cash equivalents)/ earnings before interests, tax, depreciation and amortisation)	**10.71**	9.94
Interest coverage multiple ((Profit before tax + interest expenses)/ Interest expenses)	**4.23**	3.95
EBITDA interest multiple (Earnings before interests, tax, depreciation and amortisation/interest expenses)	**7.03**	6.60

Note: At the end of the Reporting Period, the Group's debt-to-asset ratio was slightly lower than that at the end of last year, mainly due to the utilisation of its self-owned funds for project payments. Meanwhile, as the Group increased its investment in structured deposit wealth management products, the cash at banks and on hand decreased during the current period, resulting in a rise in net borrowings-to-equity ratio and net borrowing/EBITDA. The interest coverage multiple and the EBITDA interest multiple went up, driven by a reduction in interest expenses and other factors.

5. Liquidity and cash management

During the Reporting Period, the Group's net current assets increased as compared with the beginning of the year due to the issuance of medium-to-long-term bonds to repay its ultra-short-term commercial paper. The Group will strive to enhance project profitability, strengthen the overall fund arrangements for subsidiaries and key projects, continue to optimise the capital structure, and maintain appropriate cash on hand and sufficient bank facilities and debt financing lines to prevent liquidity risks.

Unit: million Currency: RMB

	Amount as at the end of the current period	Amount as at the end of last year	Change in amount
Net current assets	**-2,992**	-4,211	1,219
Cash and cash equivalents	**3,995**	4,745	-750
Unutilised bank credit facilities	**77,258**	71,487	5,771
Unutilised bond registration quota	**9,000**	9,700	-700

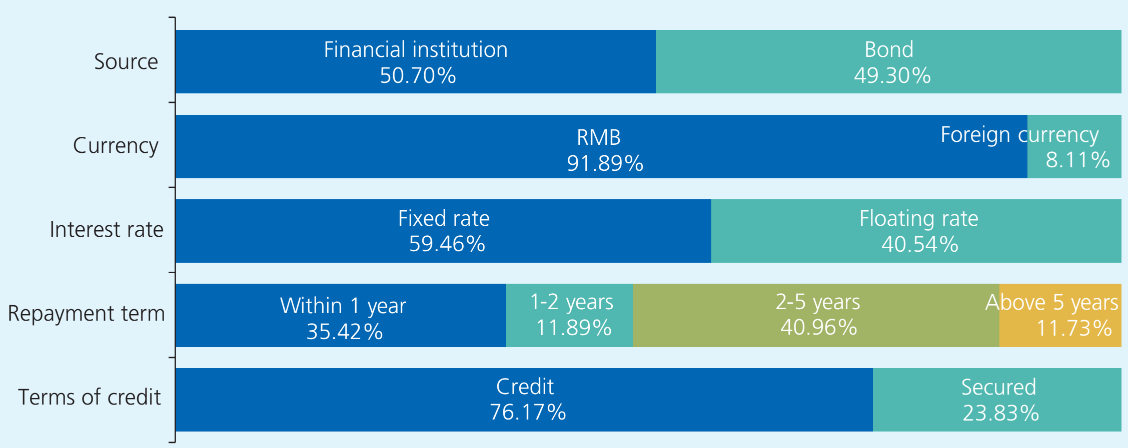
6. Financial strategies and financing arrangements

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

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

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

Borrowing Structure (as at 30 June 2026)



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

As of 30 June 2026, the Group had obtained banking facilities totalling approximately RMB95.248 billion. As at the end of the Reporting Period, unused banking facilities amounted to approximately RMB77.258 billion, and the Group's bond limit was RMB14 billion, in which RMB9 billion was unused as at the end of the Reporting Period.

7. Contingent liabilities

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

8. Foreign Exchange Risk

The Group's current principal operations are all conducted within China. Except for H-share dividend payments, the Group's operating income and capital expenses are settled in RMB. As of the end of the Reporting Period, the Group had issued USD300 million in bonds and had outstanding HKD560 million in bank borrowings. The Group has not made any foreign exchange hedging arrangements for the above foreign currency borrowings denominated in currencies other than its functional currency, and fluctuations in exchange rates had minimal impact on the Group. For details, please refer to Note IX\1.1.1 to the Financial Statements in this report.

(IV) Analysis of the Investment

1. Overall analysis of external equity investments

During the Reporting Period, the total equity investment of the Group amounted to approximately RMB0.992 billion, primarily attributable to SIHICH's increased equity interests in Bay Area Development and Bay Area Development's capital increase in Guangshenzhu Company.

(1) Material equity investments

✓ Applicable ☐ Not applicable

Unit: '000 Currency: RMB

Name of investee	Principal business	Whether the target is principally engaged in the investment business	Investment method	Investment amount	Shareholding proportion	Whether consolidated	Statement item (if applicable)	Sources of funds	Partner (if applicable)	Investment term (if any)	Status as at the balance sheet date	Estimated earnings (if any)	Impact on profit or loss for the period	Whether involved in any legal actions	Disclosure date (if any)	Disclosure index (if any)
Bay Area Development	Mainly hold equity interests in GZ West Expressway, GS Expressway and Xintang JV and hold a controlling interest in Coastal Expressway	Yes	Acquisition	642,762	73.98%	Yes	Not applicable	Self-financed	Not applicable	No	Completed	Not applicable	-	No	No	No
Guangshenzhu Company	Encompass the investment, construction, operation and management of Guangzhou-Shenzhen Expressway	Yes	Capital increase	349,057	45%	No	Long-term equity investments	Self-financed	Guangdong Provincial Highway Construction Company Limited (廣東省公路建設有限公司)	No	Completed	Not applicable	-	No	No	No
Total	/	/	/	**991,819**	/	/	/	/	/	/	/		/	/	/	/

(2) Material non-equity investments

During the Reporting Period, the Group's expenditures on material non-equity investments mainly comprised the expenditures for Jihe Expressway R&E Project, Outer Ring Expressway and Coastal Phase II, as well as the settlement expenses of the kitchen waste treatment projects, totalling approximately RMB0.8 billion. The Company meets the relevant investment expenditures with a combination of self-owned funds, equity financing and debt financing. The investments in major projects are as follows:

Unit: '000 Currency: RMB

Name of project	Project progress	Amount invested during the Reporting Period	Accumulated amount invested	Project gain
Outer Ring Project (Phases I, II and III)	73.97%	438,113	8,917,508	The Outer Ring Projects (Phases I and II) have been completed and opened to traffic. Coastal Phase II was opened to traffic at the end of June 2024, Guangming Environmental Park officially launched operation in February 2025, several kitchen waste projects of Bioland have been completed. For the relevant operating conditions, please refer to the section headed "Discussion and Analysis of the Operations" above. The Outer Ring Phase III and the Jihe Expressway R&E Project are still under construction.
Coastal Phase II	100%	35	999,361	
Jihe Expressway R&E Project	27%	301,708	3,789,624	
Multiple kitchen waste projects of Bioland	100%	39,459	1,722,294	
Guangming Environmental Park Project	100%	20,489	755,034	
Total	**/**	**799,804**	**16,183,821**	**/**

Note: Project progress refers to progress in physical shape.

(3) Financial assets measured at fair value

Unit: '000 Currency: RMB

Asset category	Beginning balance	Gains and losses from changes in fair value in the current period	Changes in Cumulative fair value included in equity	Provision for Impairment in the current period	Purchase amount in the current period	Sales/ redemption amount in the current period	Other changes	Ending balance	Remarks
Private equity fund	334,046	-3,337	–	–	–	-17,952	–	312,757	
Other	752,917	-148,761	–	–	–	–	–	604,156	(1)
Other	2,439,548	33,503	–	–	6,520,000	-4,940,000	-34,908	4,018,144	(2)
Other	117,904	–	–	–	–	–		117,904	(3)
Total	**3,644,416**	**-118,595**	**–**	**–**	**6,520,000**	**-4,957,952**	**-34,908**	**5,052,961**	

Explanation on financial assets at fair value:

(1) Mainly due to the holding of shares in Shenzhen Water Planning (including shares acquired prior to its listing and shares acquired through equity distribution after listing) and holding of equity interests in United Electronic.

(2) Mainly being structured deposits purchased.

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

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

Investments in private equity fund

✓ Applicable ☐ Not applicable

During the Reporting Period, the Group held State-owned Assets Collaborative Development Fund subscribed in 2020, with the initial investment costs of RMB300,000,000, the net value at the beginning of the Reporting Period of approximately RMB334,046,000, recovery of investments during the Reporting Period of approximately RMB17,952,000, a decrease in changes in fair value of approximately RMB3,337,000, investment income achieved of approximately RMB3,563,000, and the net value at the end of the Reporting Period of approximately RMB312,757,000.

(V) Analysis of Major Controlling Companies and Participating Companies

1. Analysis of major controlling and participating companies

Unit: '000 Currency: RMB

Company name	Type of company	Main business	Registered capital	30 June 2026 Total assets	30 June 2026 Net assets	2026 Interim Revenue	2026 Interim Operating profit	2026 Interim Net profit
Outer Ring Company	Subsidiary	Investment in the construction and operation of the Shenzhen section of Outer Ring Expressway	8,611,759	**10,898,730**	**9,127,388**	**818,037**	**416,748**	**311,004**
Qinglian Company	Subsidiary	Construction, operation and management of Qinglian Expressway and related auxiliary facilities	3,361,000	**4,939,358**	**3,046,436**	**361,216**	**39,979**	**29,066**
Environmental Company	Subsidiary	Investment and operation of the kitchen waste project	6,550,000	**10,076,169**	**6,629,896**	**364,428**	**68,190**	**67,730**
New Energy Company	Subsidiary	Investment and operation of clean energy power generation projects	2,619,441	**5,618,082**	**3,246,545**	**255,192**	**82,367**	**64,350**
Mei Wah Company	Subsidiary	It indirectly holds a 73.98% equity interest in Bay Area Development, which primarily holds equity interests in GZ West Expressway, GS Expressway, and Xintang JV, and holds a controlling interest in Coastal Expressway	HKD10,970,381	**19,692,708**	**7,852,313**	**402,405**	**332,477**	**172,564**
Derun Environment	Participating Company	Derun Environment is a comprehensive environmental enterprise with two subsidiaries listed on the main board of A shares including Chongqing Water (50.04% equity interests) and Sanfeng Environment (45.57% equity interests). The main businesses of these companies include water supply and sewage treatment, and investment, construction, integrated equipment and operation management of waste incineration power generation projects, as well as environmental remediation.	1,000,000	**66,666,150**	**18,887,093**	**6,647,695**	**1,436,120**	**445,396**

Note 1: The relevant figures are presented on a consolidated basis of the Group and have considered adjustments including premium amortisation.

Note 2: For the major controlling subsidiaries listed in the above table, both the net profits and net assets presented are amounts attributable to the owners of the Company.

Note 3: For details of the operational performance of the above major controlling companies and participating companies and their businesses during the Reporting Period, please refer to related contents in this section.

2. Acquisition and disposal of subsidiaries during the Reporting Period

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

(VI) Capital Expenditure Plan

As of the date of approval of this report, the capital expenditures approved by the Board of the Group mainly included the construction expenditures for Outer Ring Project, Jihe Expressway R&E Project, kitchen waste projects of Bioland, Guangming Environmental Park and other projects. It is estimated that by the end of 2028, the total capital expenditure of the Group approved by the Board will be approximately RMB14.976 billion. The Group plans to use its own funds, net proceeds from the private placement of A shares and bank loans to meet its capital demand. The Group's financial resources and financing capacity are currently adequate to meet the various capital expenditure needs.

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

Unit: '000 Currency: RMB

Name of Item	Second half of 2026	2027	2028	Total
I. Investment in Intangible Assets and Fixed Assets				
Jihe Expressway R&E Project	741,760	3,281,872	3,587,096	7,610,728
Outer Ring Project (Phases I, II and III)	754,121	1,894,866	1,800,885	4,449,872
Qinglian Upgrading Project	110,551	22,650	–	133,201
Kitchen waste projects of Bioland	84,995	60,208	41,395	186,599
Guangming Environmental Park Project	5,471	11,194		16,665
Lisai Environmental Technology Renovation Project	126	11,545		11,670
II. Equity Investment				
Capital increase of Guangshenzhu Company	798,699	914,491	853,698	2,566,888
Total	**2,495,723**	**6,196,826**	**6,283,074**	**14,975,623**

V. Outlook for the Second Half of the Year

In line with the annual work plan, the Group will focus on its core businesses and key sectors in the second half of 2026, advancing operational and management initiatives at a steady pace:

Toll Road Business: Regarding project construction, the Group will accelerate major projects, including the Jihe Expressway R&E Project and Phase III of the Outer Ring Project. Safety and quality standards will be strictly enforced to ensure investment progress stays on track as scheduled. In toll road operations, we will deepen the "One Route, One Policy" tiered traffic assurance approach and the "One Route, Three Parties" coordination mechanism. Within Shenzhen, we will advance unmanned tolling and frictionless passage. Furthermore, we will refine closed-loop management across the entire maintenance chain, promote centralised maintenance and integrated tunnel monitoring. Efforts will also be made to optimise tolling and incident response procedures to enhance service quality. To advance digitalisation, we will continue to upgrade our BIM-based smart construction management platform and accelerate the commercialisation of BIM applications. Additionally, we will establish an integrated smart control hub to improve the digital supervision efficiency of our road network.

General-Environmental Protection Business: In clean energy generation, the Group will optimise the operation of existing wind farms and refine our power trading strategies to enhance profitability. We will also steadily advance the rollout of distributed PV demonstration projects along our expressways to explore a "Transportation + Energy" integration model. We also aim to strengthen collaborative business development to develop new project resources. To promote solid waste recycling, the Group will continue to optimise the operations of our kitchen waste treatment projects, focusing on expanding collection and transportation networks, reducing costs, and improving efficiency. Additionally, we will actively expand waste oil and grease procurement and processing operations outside the region to diversify our revenue streams.

Financial Management: The Group will capitalise on favourable market windows to secure low-cost funding through a flexible mix of debt financing instruments. We will also dynamically optimise our capital structure to ensure funding for key projects and effectively reduce financial costs. Furthermore, we will strengthen budgetary control, forecasting, and analysis to improve budget precision and resource allocation efficiency. Finally, we will further digitalise our finance functions to elevate the overall quality of our financial operations.

VI. Potential Risks

The Group is primarily exposed to the following risks:

1. Certain toll road assets have already reached, or are approaching, the end of their concession periods. Failure to secure effective business transitions may adversely affect the stability of revenue and profitability.

2. New toll road and R&E projects require substantial capital investment, which may exert pressure on and introduce uncertainty to long-term investment returns.

3. The new energy sector has fully entered a market-driven competitive landscape. As the "guaranteed price and volume" model is gradually phased out and newly installed capacity expands rapidly, curtailment rates for wind and solar power have risen in certain regions. Consequently, project returns will be increasingly sensitive to fluctuations in electricity market prices and grid peak-shaving pressures.

4. The solid waste recycling business is constrained by various factors, including local subsidy policies, fiscal payment efficiency, market price volatility of waste oil and grease, and the mechanism for adjusting service fees. These factors collectively pose pressures on operational management and project returns.

5. Macroeconomic fluctuations and regional economic developments directly affect the traffic volume on toll roads, the on-grid electricity output from clean energy sources, and the amount of kitchen waste collected and processed, thereby affecting the Group's profitability.

6. Projects under construction are characterised by long development cycles, massive capital requirements, and high technical complexity. They are exposed to multiple risks, including geological uncertainties, raw material price volatility, and extreme weather events. Furthermore, increasingly stringent safety and environmental regulations may impose additional pressure on costs and schedules. All these factors may affect the achievement of project cost, schedule, quality, and safety targets.

The key risks we monitor and corresponding mitigation measures remain materially unchanged from those disclosed in the Group's 2025 Annual Report. Investors are advised to refer to the relevant sections for further details.

Mid-Year Assessment Report on the 2026 Action Plan for "Improving Quality, Increasing Efficiency and Emphasising Returns"

To fulfil the requirements of the Opinions on Further Improving the Quality of Listed Companies issued by the State Council and respond to the SSE's Initiative *for the "Improving Quality, Increasing Efficiency and Emphasising Returns" Special Action to SSE-Listed Companies*, the Group formulated and released its *2026 Action Plan for "Improving Quality, Increasing Efficiency and Emphasising Returns"* based on its actual operations and strategic blueprint. It has actively advanced various initiatives under the plan, and the key achievements for the first half of 2026 are outlined as follows:

(I) Focusing on Principal Business to Elevate Operational Excellence

The year 2026 marks the inaugural year of the Group's 15th Five-Year Plan (2026–2030). In the first half of the year, guided by the core tenet of "consolidation and upgrade, quality improvement and efficiency enhancement", the Group remained steadfast in its commitment to its core businesses. It accelerated the establishment of a lean management system, secured resource supports; concurrently, it steadily advanced major construction projects, and deepened lean operations management in a concerted effort to drive holistic operational excellence.

Toll road business segment: In terms of project construction, the Group prioritised major projects during the Reporting Period, including the Jihe Expressway R&E Project, the Outer Ring Phase III Project, and the R&E Project of the Guangzhou-Shenzhen section of G4. The Group further implemented comprehensive control over project quality, safety, and investment management, and adopted cutting-edge technologies such as the BIM Construction Management Platform to enable real-time progress tracking and predictive early warning. With a commitment to "zero-accident, zero-hazard", the Group enforced rigorous quality standards and intensified supervision and inspection. No material safety or quality incidents occurred, and capital expenditures remained strictly within budget. In toll roads operations, the Group prioritised precise traffic guidance during peak hours and agile emergency response capabilities. Leveraging the integrated traffic monitoring and management platform, it deployed proactive congestion mitigation strategies and intelligent lane allocation to optimise traffic throughput. For sections undergoing renovation and expansion, the Group achieved seamless synergy between construction activities and live traffic operations through scientifically calibrated traffic organisation plans and construction milestones, thereby minimising disruption to road capacity. Additionally, the Group stepped up inspections for flood-season vulnerabilities, geological hazards, and other road safety concerns, strengthened routine patrols and inspections, and deepened full-lifecycle road maintenance management. By promoting preventive maintenance technologies, it effectively enhanced traffic safety and service standards across the toll road network. The Group also accelerated the deployment of battery-swapping stations, EV charging piles, and other supporting facilities at service areas, and added more convenience service outlets to drive sustained improvements in service quality. During the Reporting Period, four service areas under the Outer Ring Expressway and Qinglian Expressway were rated as National Class-I Highway Service Areas.

General-environmental protection business segment: In the first half of the year, the Group sustained its focus on unlocking value from existing operational assets through quality and efficiency enhancements, alongside strategic portfolio optimisation. In the clean energy power generation business, the Group pursued refined operations and cost reduction measures for existing projects while actively seeking high-calibre wind and solar power investment opportunities. It explored integrated models combining "transportation/industrial parks + energy", promoting the synergistic development of distributed PV and energy storage projects utilising proprietary resources such as toll stations, service areas along expressways, and industrial parks, adding to its green and low-carbon transition momentum. In respect of the solid waste recycling treatment business, the Group concentrated on its existing operations and promoted quality and efficiency improvements through measures including streamlining internal operational management systems, advancing technological process retrofits, enforcing stringent cost and expense discipline, and piloting grease extraction and waste residue valorisation. Consequently, the operating performance of the organic waste treatment business demonstrated tangible improvement in the first half of 2026.

(II) Harnessing Technologies to Foster New Quality Productive Forces

In the first half of 2026, the Group remained committed to driving high-quality corporate development through technological innovation and continued to advance the development of the "Smart Shenzhen Expressway" ecosystem. Digital and intelligent technologies were integrated across business chains including toll road project construction, operation and maintenance, clean energy development and organic waste treatment. Leveraging the implementation and application of various innovative technologies, the Group has effectively lifted operational efficiency across all business segments, delivering the goals of quality improvement and efficiency gains. Key initiatives are set out below:

◆ Leveraging major projects such as the Jihe Expressway R&E Project, the Company advanced the development and application of BIM-based expressway construction management platform, smart beam yards and integrated bridge erecting machines. The Jihe Expressway R&E Project is one of the first pilot projects under the national "Building a Country with Strong Transportation Network" initiative, and represents China's first three-dimensional composite expressway reconstruction and expansion project. During the Reporting Period, the Company further deepened the integration of cutting-edge technologies including cloud computing, big data, AI and BIM to advance the development of the "Smart Jihe" initiative. The application of BIM forward design enables digital transformation of design workflows. The system can rapidly generate models and 2D drawings for bridges, rebar and steel strands, automate pile length calculation and design review, and allow direct transmission of BIM model data into the construction phase. This lays a solid data foundation for full life-cycle BIM applications from the outset. The BIM-based expressway construction management platform was utilised to precisely map key business data generated during construction to BIM model codes, forming a closed-loop management system. Supported by AI technologies, the platform enabled automatic monitoring of construction data and intelligent risk identification and assessment, significantly raising standards for standardised and refined management of construction, thereby improving the quality and efficiency of construction management. To date, the Group has developed multiple core standards for the Jihe Expressway R&E Project, including the BIM Modelling Standards for the Jihe Expressway R&E Project (《機荷改擴建工程 BIM 建模標準》), BIM Model Classification and Coding Standards for the Jihe Expressway R&E Project (《機荷改擴建工程 BIM 模型分類與編碼標準》), and BIM Application Standards for the Jihe Expressway R&E Project (《機荷改擴建工程 BIM 應用標準》), and the project has received a series of authoritative awards in the field of digital construction.

  The Jihe Expressway runs through a densely built urban area with complex traffic management requirements. To address the construction challenge of carrying out reconstruction and expansion while maintaining traffic flow in highly urbanised areas, the project has pioneered a large-scale, bearing-free, prefabricated and prestressed segmental all-steel box girder system, along with prefabricated construction technologies for both the superstructure and substructure of bridges. The superstructure of the main project bridges primarily adopts prefabricated and prestressed segmental box girder, which are centrally prefabricated in factories and only require on-site assembly. A new type of integrated bridge erecting machine, developed specifically for the prefabrication and assembly of the Jihe Expressway R&E Project, enables synchronous operation of superstructure and substructure. It enhances automation and construction efficiency, shortens road occupation time. Meanwhile, it ensures unimpeded traffic flow to the fullest extent, minimises construction disturbance to the surrounding areas and facilitates green construction. During the Reporting Period, the construction of the Jihe Expressway R&E Project pressed ahead at full pace in line with schedules.

- While deepening efforts to tackle key scientific and technological challenges and strengthening industry-academia-research collaboration, the Group opened up scenarios so as to improve quality and increase efficiency for its principal businesses. In the first half of the year, the Group intensified efforts to deepen its industry-academia-research collaborative innovation, successfully secured two municipal-level key R&D projects, and completed the application for one national key R&D project. The Group also joined hands with leading domestic universities and research institutions to submit eight research guide requirements in areas such as transportation-energy integration, intelligent transportation, and solid waste recycling treatment, in order to increase the reserve of key R&D projects. In the meantime, centring on the three major business segments of "toll road construction, toll road operation, and general environmental protection", the Group strengthened the diversified application of artificial intelligence technology in infrastructure construction, road network operation management and environmentally responsible production. In terms of toll road operations, the Group leverages intelligent identification and analysis techniques to enhance road network monitoring, early warning and operational resilience. It continued to promote the upgrades of the AI large model-powered network monitoring and command platform on road network across Shenzhen. Also, the Group promoted services such as seamless payment and quasi-free-flow passage. By using CPC cards as the traffic medium at exit lanes, the system automatically identifies vehicles and completes toll collection, which effectively improves traffic efficiency and user experience. During the Reporting Period, the "smart expressway" construction on the Qinglian Expressway achieved new breakthroughs, implementing tidal flow lane and tidal flow service area control by relying on data systems, and carrying out traffic control measures by time and section. This effectively alleviates traffic congestion during holidays. In terms of smart management and maintenance, the Group has deepened the application of the BIM-based integrated management and maintenance system on routes like the Outer Ring Expressway, Coastal Project and Jihe Expressway. This system facilitates data-driven decision-making, enables online operation and closed-loop management of maintenance tasks and comprehensive data analysis, thereby elevating our maintenance management to a new level of digitalisation, professionalism, and intelligence. During the Reporting Period, the Group used the Jihe Expressway as a pilot project for scenario development. Targeting the pain points of traditional manual toll road patrols such as low efficiency, high cost, and difficulty in standardization, the Group integrated intelligent patrol equipment such as drones to promote autonomous networking and data collection, building a full-scenario intelligent patrol system. This enables all-weather hazard identification and condition monitoring for areas such as tunnels, bridges and slopes, transitioning its operation and maintenance from "labour-intensive manual patrols" to "intelligent monitoring", thereby enhancing safety and reducing operation and maintenance costs. Furthermore, in terms of general environmental protection operation, the Group has developed an operational management platform and launched application pilot projects. By combining scenarios such as intelligent planning of collection and transportation routes as well as AI-assisted process optimisation, the Group has achieved smart operational management across the entire process. This continuously enhances production and operational efficiency as well as resource utilisation.

  During the Reporting Period, the Group participated in the World AI Device Expo 2026 & 7th Shenzhen Global AI Expo with the digital transformation practice cases of its dual core businesses of "toll roads + general-environmental protection". It comprehensively showcased in-depth application scenarios including the equipment lightweight modelling in the expressway construction segment, the road network monitoring, identification and optimisation in the operation segment, grease extraction and path planning in the environmental protection segment. Highlighting the innovation exploration and transformation achievements of the Group in terms of intelligent transportation and green and environmental protection.

- The Group has effectively leveraged resources along expressways, has advanced the distributed PV construction of road domains according to local conditions, and has explored green smart tunnels, green service areas / toll stations, integrated supercharging stations of PV power generation, storage and charging and other demonstration scenarios. The Group completed the building of the distributed PV power stations by taking the opportunity of zero-carbon transformation of Jiaochong Tunnel on Qingyuan-Lianzhou Expressway. With the help of the "point-source supply + network-based storage" technology and the operation mode of "self-generation and self-use with remaining electricity connected to the grid", the Group has revitalised idle land resources along the expressway. Beyond meeting internal power demand, it generates additional revenue, exploring an innovative low-carbon route for toll road development with exemplary value and scalability. During the Reporting Period, Jiaochong Tunnel was recognised by the China Highway and Transportation Society as the "Zero-carbon Tunnel". The Hengling Service Area of the Outer Ring Expressway has been seamlessly connected to the national "e-Clear Road" platform with our proprietary "Shenzhen e-Transportation" platform to synchronise the locations and usage status of charging piles in real time and establish the one-stop energy replenishment service system of "search – navigation – use". During the Reporting Period, supporting PV facilities were being constructed and relevant charging system equipped with supercharging and flash charge devices was being established in the service area. Upon completion, it will form the full-chain green energy replenishment model of "PV power supply + supercharging + flash charging", delivering synergies between enhanced customer services and streamlined operational management. Furthermore, the Group also has been actively exploring the construction of integrated supercharging stations of PV power generation, storage and charging in other toll stations and service areas in order to provide a solid support for green mobility.

- The Group has tackled problems in key technologies of kitchen waste treatment for quality and efficiency improvement. During the Reporting Period, the Environmental Company pursued three core objectives: cost reduction and efficiency enhancement, risk prevention and control, and resource recycling. It actively established an industry-academia-research cooperation platform to cooperate with more than 10 universities and research institutions and carry out project research focused on urban-rural organic matter resource transformation, organic waste treatment, biogas slurry quality improvement, denitrification of high-ammonia nitrogen waste water and other core technological areas. Two research projects were included in the approved list of provincial Natural Science Foundation projects. The projects focus on the research and development of low-carbon and high-efficient advanced denitrification technology of sewage, building up technical reserves for the upgrading of the Company's biogas slurry treatment process. The Group has intensified efforts to tackle problems in key technologies so as to enhance the organic waste utilisation rate, grease extraction rate and recycling rate and improve the profitability of relevant businesses.

(III) Continuously Refining the Corporate Governance System to Elevate Governance Standards

In the first half of 2026, based on the latest Articles of Association, the Group finalised revisions to the working regulations for its five specialised committees, which were duly approved by the Board. This ensures full alignment between committee-level operations and the latest governance mandates. Concurrently, in strict adherence to the *Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies*, and other applicable laws and regulatory standards, and in light of the Company's own operational practices, we organised revisions to key instruments, including the Board authorization documents and the *Detailed Rules for the Work of the President*. The Group has also instituted a Board Diversity Policy. In selecting, evaluating, and nominating director candidates, it rigorously applies diversity principles aligned with strategic and operational needs. The current Board comprises 11 members, including three female directors. The members of the board possess multifaceted expertise spanning corporate management, toll road infrastructure, energy, finance, capital markets, and law. This diversity in gender, age, and specialised competencies empowers the Board to contribute professional insights from a wide range of perspectives.

To fortify internal controls and compliance mechanisms, the Group appointed a Chief Compliance Officer to oversee compliance matters. It has architected a robust compliance ecosystem. Guided by the *Shenzhen Expressway Group Compliance Manual and underpinned by the Shenzhen Expressway Group Compliance Management Measures* as the foundational policy. It is supplemented by specific rules and compliance guidelines, and supported by compliance risk checklists for key areas as key control tools. This system is updated continuously to align with evolving external legal and regulatory landscapes.

In the first half of 2026, the Group sustained routine follow-up audits for two flagship initiatives—the Jihe Expressway R&E Project and the Outer Ring Phase III Project—to safeguard their efficient and compliant execution. It also conducted targeted inspections on the design and operational effectiveness of internal control systems across nine representative tier-3 subsidiaries spanning toll roads, engineering construction, clean energy generation, and kitchen waste treatment. These reviews comprehensively mapped institutional frameworks and process adherence to pinpoint internal control gaps. Furthermore, the Group advanced the revision of the *Compliance Management Measures* to enhance compliance resilience; propelled the development of a Smart Contract System to solidify the compliance foundation; and formulated the *Operating Procedures for Fair Competition Review* to regulate review workflows, key checkpoints, and performance benchmarks. The Group also intensified end-to-end oversight of material risks to ensure effective mitigation, embedding major risk management into the annual priority task list and instituting regular progress monitoring and control measure implementation.

In the first half of 2026, under the strategic stewardship of the ESG Committee, the Group continued to optimise its ESG governance architecture and strengthen the accountability cascade for sustainable development. Benchmarking against the latest disclosure requirements of both the Shanghai and Hong Kong stock exchanges, the Group institutionalised double materiality assessments and thematic research, systematically gathering qualitative and quantitative ESG data to bolster the disclosure foundation. It further deepened its initiatives spanning environmental protection, social responsibility, corporate governance, employee welfare, and community engagement. Consequently, disclosure quality improved remarkably, and the Wind ESG rating was upgraded to AA.

(IV) Prioritising Shareholder Returns and Sharing the Fruits of Growth

The Group places a premium on delivering fair returns to investors. In strict compliance with *Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies and the Articles of Association*, it strikes a balance between long-term development and near-term shareholder interests, thereby institutionalizing a sustainable, stable, and well-calibrated return mechanism. As stipulated in the *2024–2026 Shareholder Returns Plan*, provided that cash dividend conditions are met and capital requirements for normal operations and development are secured, the Company commits to an annual cash payout ratio of no less than 55% throughout the 2024–2026 period.

As approved at the 2025 Annual General Meeting, the Company declared a cash dividend of RMB0.244 per share (tax inclusive) based on the total share capital of 2,537,856,127 shares, amounting to approximately RMB619 million in aggregate. The 2025 equity distribution was fully executed by 25 August 2026.

Since its listing, the Company has distributed cash dividends for 29 consecutive years, with cumulative payouts reaching approximately RMB15.675 billion. Over the past decade, the cash payout ratio - defined as cash dividends divided by net profit attributable to shareholders of the parent company in the consolidated financial statements, less distributions to holders of perpetual bonds and other equity instruments (if any) - has ranged between 40% and 65%, averaging 59.7% over the last three years. Through these tangible actions, the Company consistently upholds its core philosophy of Prioritising shareholder returns and safeguarding shareholder rights, delivering long-term, stable, and sustainable value for its investors.

(V) Strengthening Investor Engagement to Deliver Long-Term Value

The Group strictly adheres to securities regulations in fulfilling its disclosure obligations, continuously enhancing the quality of information released to safeguard investors' right to know. In the first half of 2026, the Company published two periodic reports and over 80 interim announcements across both the A-share and H-share markets.

Attaching great importance to investor relations, the Group maintains an open and proactive dialogue with the investment community through a multi-tiered communication matrix. This encompasses dedicated hotlines, IR email addresses, website portals, and the Shanghai Stock Exchange E-interaction Platform. To facilitate direct engagement, the Group regularly hosts site visits, field research sessions, and promotional briefings. In the first half of 2026, three earnings briefings were convened in hybrid formats. Notably, the annual on-site briefing was simultaneously broadcast via live webcast, remote video link, and teleconference to maximise accessibility. These sessions were attended by the Chairman, President, Independent Directors, Chief Accountant & Board Secretary, and other senior management. During the first half of 2026, the Group responded to investor inquiries on over 50 times via phone, email and other means, hosted more than 20 investor site visits and meetings, and engaged with more than 120 participants including investors, securities analysts, and media representatives through its results briefing sessions. Seven sets of performance presentation materials were also prepared and distributed. Through these sustained and substantive interactions, the Group enhanced the market's understanding of its development and long-term investment value.

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

The Group closely monitors regulatory developments and promptly circulates new rules, guidelines, circulars, and notices issued by domestic and overseas securities regulators to its "key few". By keeping them abreast of the latest regulatory expectations, the Group reinforces their compliance awareness and ensures the compliant performance of their duties.

Attaching great importance to sound Board governance, the Company supports its "key few" in fulfilment of duties through comprehensive information provision, thematic training, and direct communication. In the first half of 2026, the Group distributed monthly *Business Information Reports and quarterly Business Operations Analysis Reports and Work Safety Reports to all directors*. Three pre-meeting briefings for directors were convened, and directors and senior management attended specialised training programs organised by stock exchanges and listed company associations, totalling 10 participant attendances. Through this multi-dimensional support framework, the Group has effectively strengthened compliance consciousness of the "key few" and ensured the proper discharge of fiduciary responsibilities.

Furthermore, in accordance with the *Governance Standards for Listed Companies*, the Group formulated the *Remuneration Management Policy for Directors and senior management* in the first half of 2026. This policy establishes a robust mechanism governing total payroll determination, remuneration structure, performance appraisal, payout procedures, and forfeiture and recoupment provisions. Such institutional arrangements serve to align the interests of directors and senior management with those of the Company and its shareholders, thereby stimulating managerial initiative and vitality while underpinning the Company's healthy and sustainable development.

Significant Matters

(I) Performance of Undertakings

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

Background of undertaking	Type of Undertaking	Undertaking party	Undertaking details	Date and duration of undertaking	Whether there is a performance time limit	Whether fulfilled timely and strictly
Letter of undertaking	Other	Shenzhen International	1. It will take the Company as the only platform for the final integration of the expressway business of Shenzhen International; 2. It will fulfil all undertakings to support the development of the Company.	June 2011	No	Yes
			3. For the expressway business assets owned by Shenzhen International, Shenzhen International undertakes to inject such assets into the Company within approximately 5 to 8 years, subject to the satisfaction of the relevant conditions, so as to promote the sustainable and stable development of the Company.		Yes	
Letter of undertaking	Other	SIHCL	1. It will take the Company as the only platform for the final integration of the expressway business of SIHCL; 2. SIHCL will fulfil all undertakings to support the development of the Company.	May 2011	No	Yes
			3. For the expressway business assets owned by SIHCL, SIHCL undertakes to inject such assets into the Company within approximately 5 to 8 years, subject to the improvement of the profitability of such assets and the relevant conditions, so as to eliminate peer competition between SIHCL and the Company and promote the sustainable and stable development of the Company.		Yes	
Undertakings related to IPO	Avoidance of peer competition	XTC Company/SGH Company	The undertaking parties will not engage in any industry or business in any way which, directly or indirectly, competes with the Company in Shenzhen.	January 1997	No	Yes
Undertakings related to refinancing Note	Other	Shenzhen International/ Directors and senior management of the Company	The Special Self-inspection Report on the Real Estate Business of Shenzhen Expressway Corporation Limited in the Offering of A shares to Specific Targets has truthfully disclosed the self-inspection on the Group's real estate development projects during the period from 1 January 2020 to 30 June 2024. Shenzhen International, the controlling shareholder of the Company, and the Directors and senior management of the Company have made the following undertaking: Shenzhen Expressway and the subsidiaries included in its consolidated financial statements are not subject to any administrative penalty or (with a case filed) investigation for any illegal or nonconforming act, such as land idling, land speculation, property hoarding and property price manipulation. If Shenzhen Expressway has any illegal or nonconforming act that is disclosed in Special Self-inspection Report on the Real Estate Business of Shenzhen Expressway Corporation Limited in the Offering of A shares to Specific Targets (Third Amendment), such as land idling, land speculation, property hoarding or property price manipulation, causing any loss to Shenzhen Expressway or any investor, the undertakers will assume the corresponding liability for compensation in accordance with relevant laws, regulations and the securities regulator's requirements.	July 2023, January 2024 and August 2024	No	Yes

Background of undertaking	Type of Undertaking	Undertaking party	Undertaking details	Date and duration of undertaking	Whether there is a performance time limit	Whether fulfilled timely and strictly
Undertakings related to refinancing Note	Other	Shenzhen International	The following commitments are made to ensure that the Company's immediate return make-up measures are implemented practically in this offering of A shares to specific targets ("this offering"): 1. We promise not to interfere with Shenzhen Expressway's business management activities beyond our authorities; 2. We promise not to encroach on the interests of Shenzhen Expressway; 3. Before the completion of this offering, if CSRC or SSE promulgates other new regulatory provisions on return make-up measures, and related commitments, and the above commitments do not meet these provisions, we will make supplementary commitments in accordance with the latest provisions of CSRC or SSE; 4. We promise to implement the make-up measures for the diluted immediate return formulated by Shenzhen Expressway and any commitment on the return make-up measures for the diluted immediate return practically. If we break or refuse to fulfil the above commitments, and cause losses to Shenzhen Expressway or any other shareholder, we are willing to bear the corresponding liability according to law.	July 2023, January 2024 and August 2024	No	Yes
Undertakings related to refinancing Note	Other	XTC Company	The share subscription agreement with conditions precedent entered into between XTC and the Company specifies that: The target shares acquired by XTC and offered this time shall not be transferred within 18 months from the end of this offering, and the regulations of CSRC and SSE shall apply thereafter. If there are other provisions in the relevant regulations and normative documents regarding the trading restriction period of offering shares to specific targets, such provisions will apply. From the date of completion of this offering to the date of the lifting of restrictions on such shares, the newly added shares in the Company under the target stock subscribed for by XTC in this offering arising from the Company's bonus shares, capital reserve conversion into the share capital, etc. should also comply with the above lock-up arrangements. XTC promises as follows: It confirms that it had not reduced its shareholding in Shenzhen Expressway either directly or indirectly in the six months prior to the pricing base date of this issuance, and promises not to reduce its shareholding in Shenzhen Expressway either directly or indirectly in any way from the pricing base date of this offering to 18 months after the completion of this offering. If a reduction in shareholding occurs in violation of the above commitment, all proceeds arising from such reduction will be vested in Shenzhen Expressway, and it will also bear the legal liability arising therefrom according to law.	July 2023	Yes	Yes

Background of undertaking	Type of Undertaking	Undertaking party	Undertaking details	Date and duration of undertaking	Whether there is a performance time limit	Whether fulfilled timely and strictly
			XTC Company makes the following commitments regarding subscription of shares in this offering: XTC Company will subscribe for not less than 10% of the shares actually issued by Shenzhen Expressway under this offering for an amount of not more than RMB1.510 billion. After this offering, Shenzhen International will hold not less than 45.00% of the shares of Shenzhen Expressway indirectly in aggregate, and the subscription price will be paid by XTC Company in cash.	July 2024	Yes	Yes
Undertakings related to refinancing Note	Other	SGH Company/Advance Great Company	SGH Company and Advance Great Company make a further share lock-up commitment regarding this offering: It confirms that it had not reduced its shareholding in Shenzhen Expressway either directly or indirectly in the six months prior to the pricing base date of this offering, and promises not to reduce its shareholding in Shenzhen Expressway either directly or indirectly in any way from the pricing base date of this offering to 18 months after the completion of this offering. If a reduction in shareholding occurs in violation of the above commitment, all proceeds arising from such reduction will be vested in Shenzhen Expressway, and it will also bear the legal liability arising therefrom according to law.	July 2024	Yes	Yes
Undertakings related to refinancing Note	Other	Directors and senior management of the Company	The following commitments are made to ensure the effective implementation of the immediate return make-up measures of this offering 1. We promise not to transfer interests to any other organisation or individual without compensation or under unfair conditions, and not to harm the Company's interests in any other way; 2. We promise to restrain our own position-related consumption behaviour; 3. We promise not to use the Company's assets to engage in any investment or consumption activity unrelated to the performance of our duties; 4. We promise to support the linkup of the remuneration system formulated by the Board or the Remuneration Committee with the implementation of the Company's make-up measures for the diluted immediate return;	July 2023, January 2024 and August 2024	No	Yes

Background of undertaking	Type of Undertaking	Undertaking party	Undertaking details	Date and duration of undertaking	Whether there is a performance time limit	Whether fulfilled timely and strictly
			5. If the Company implements an equity incentive plan in the future, we promise to support the linkup of the exercise conditions of the proposed corporate equity incentive plan with the implementation of the Company's make-up measures for the diluted immediate return; 6. Before the completion of this offering, if CSRC or SSE promulgates other new regulatory provisions on return make-up measures and related commitments, and the above commitments do not meet these provisions, we will make supplementary commitments in accordance with the latest provisions of CSRC or SSE; 7. We promise to implement the make-up measures for the diluted immediate return formulated by the Company and any commitment on the return make-up measures for the diluted immediate return practically. If we break or refuse to fulfil the above commitments, and cause losses to the Company or the shareholders, we are willing to bear the corresponding liability according to law.			

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

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

As at the date of this report, there was no occupation of funds for non-operational purposes by the Company's controlling shareholder and other related parties.

(III) Material Contracts and Their Performance

1. Material Guarantees Fulfilled and Outstanding during the Reporting Period

Unit: RMB million, unless otherwise specified

External guarantees of the Company (excluding guarantees for subsidiaries)										
Name of the guarantor	Name of the guaranteed	Amount of guarantee	Date of occurrence (date of the agreement)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Completed or not	Overdue or not	Counter guarantee provided or not	Guarantee for related party or not
Guizhou Property [1]	Customers of Shenzhen Expressway – Interlaken Town	246.58	January 2016 – June 2026	Effective date of the mortgage loan contract	Effective date of the mortgage under the contract	Joint and several liability guarantee	No	No	No	No
Total amount of guarantees incurred during the Reporting Period										-12.61
Total balance of external guarantees as at the end of the Reporting Period (A)										246.58
Guarantees for subsidiaries of the Company										
Total amount of guarantees for subsidiaries incurred during the Reporting Period[2]										-653.78
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)										2,642.30
Total amount of guarantees of the Company (including guarantees for subsidiaries)										
Total amount of guarantees (A + B)										2,888.88
Proportion of total amount of guarantees to the net assets of the Company (%)										10.69
Among them:										
Amount of guarantees for shareholders, de-facto controller and their related parties (C)										–
Amount of the debt guarantees directly or indirectly provided for those whose gearing ratio exceeded 70% (D)										972.36
Amount of the guarantees that exceed 50% of net assets in aggregate (E)										–
Total amount of the above three types of guarantees (C+D+E)										972.36
Description on 'outstanding guarantees that may give rise to joint and several liability										Please refer to the description below

Description on guarantees:

(1) At the 4th meeting of the 7th session of the Board held on 30 June 2015, the 27th meeting of the 7th session of the Board held on 18 August 2017, and the 2017 annual general meeting held on 31 May 2018, the Company considered and approved the phased joint and several liability guarantees provided by Guizhou Property, a controlling subsidiary of the Company, for qualified mortgage customers who purchased the "Shenzhen Expressway – Interlaken Town (now renamed as Shenzhen Expressway – Youshan Villa)" project in line with industry practices in the real estate sector, with a total guarantee amount not exceeding RMB1 billion. During the Reporting Period, Guizhou Property provided phased guarantees for 17 customers with an aggregate of RMB6.79 million, and the phased guarantees of RMB19.40 million provided in the previous period have been released. As at the end of the Reporting Period, the balance of the guarantees actually provided by Guizhou Property was RMB246.58 million.

(2) During the Reporting Period, the Company did not provide any new joint and several liability guarantees for its subsidiaries. Guarantees of RMB650.28 million were released due to the repayment of loans by the Company's subsidiaries. Additionally, guarantees of RMB3.5 million provided by Bioland before it was acquired by the Company were released during the Reporting Period. As at the end of the Reporting Period, the balance of the guarantees actually provided by the Company for its subsidiaries amounted to RMB2,642.30 million.

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

2. *Guarantees for Subsidiaries of the Company*

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

Unit: RMB million

Name of the guarantor	Name of the guaranteed	Maximum amount of guarantees	Actual balance of principal of guaranteed debts	Date of occurrence (date of the agreement)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Completed or not	Overdue or not	Counter guarantee provided or not
Bioland Note 1	Fuzhou Bioland, Guilin Bioland, Beihai Zhonglan, Zhuji Bioland, Handan Bioland, Huangshi Bioland, Sichuan Lansheng, Taizhou Bioland, Guangxi Bioland, Guiyang Bioland and Dezhou Bioland	1,341.23	833.70	15 September 2021 – 8 July 2025	15 September 2021 – 8 July 2025	3 years after the expiry date of the debt performance period (two years for Fuzhou Bioland)	Joint and several liability guarantee	No	No	No
Investment Company Note 1	Shengao Lekang	36.26	22.20	11 May 2023	11 May 2023	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bay Area Development Note 1	Shenzhen Bay Infrastructure, SIHC Bay Area Finance Limited	1,798	1,300	8 November 2022	8 November 2022	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bay Area Development Note 1	SIHC Bay Area Finance Limited	3,042.26	312.68	24 June 2024 –19 June 2025	24 June 2024 –19 June 2025	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Bay Area Development	SIHC Bay Area Finance Limited	1,152.86	173.71	2 March 2020 – 14 July 2020	2 March 2020	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Total		/	**2,642.30**	/	/	/	/	/	/	/

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

Note 2: Guarantees provided by Bay Area Development for its subsidiaries before it was acquired by the Company. As at the end of the Reporting Period, the outstanding principal balance of guaranteed debts totalled RMB173.71 million.

3. Other Agreements and Matters

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

During the Reporting Period, there was no material litigation or arbitration, matter widely questioned by the media, or bankruptcy and reorganisation in connection with the Company, nor was any equity option incentive scheme implemented. In addition, there was no relevant matters carried forward from prior periods into the Reporting Period.

(IV) Securities Issuance and Progress on the Use of Proceeds

◆ **Issuance of A shares to specific targets ("the A-share issuance"):**

The Company completed the issuance of an aggregate of 357,085,801 A shares to specific targets in March 2025, with net proceeds of RMB4,679,236,514.71 (equivalent to a net price of approximately RMB13.10 per share). For details, please refer to the Company's announcements and disclosure documents dated 14 July and 20 September, 2023, 25 January, 22 May, 26 July, 30 August, 20 September, 8 November and 13 December, 2024, 18 March and 28 March, 2025, the circulars dated 24 August, 2023 and 23 August, 2024, and the meeting materials of the first extraordinary general meeting of 2023 and the first A-share class meeting of 2023, and the third extraordinary general meeting of 2024 and the first A-share class meeting of 2024.

As at June 30, 2026, the net proceeds from the A-share issuance have been applied in accordance with the plans disclosed by the Company, and no material changes or delays have occurred in their utilisation. The utilisation is as follows:

1. Overall Utilisation of Proceeds

Unit: RMB10,000 Currency: RMB

Sources of proceeds	Time of receiving proceeds	Total amount of proceeds	Net amount of proceeds (1)	Total investment amount committed from proceeds in the prospectus or offering memorandum (2)	Total amount of funds over-raised (3) = (1) – (2)	Total cumulative investment of proceeds as at the Reporting Date (4)	Including: Total cumulative investment of funds over-raised as at the Reporting Date (5)	Cumulative investment progress of proceeds as at the Reporting Date (%) (6) = (4)/(1)	Cumulative investment progress of funds over-raised as at the Reporting Date (%) (7) = (5)/(3)	Amount invested this year (8)	Proportion of the investment amount this year (%) (9) = (8)/(1)	Total amount of proceeds with purposes changed
Issuance of shares to specific targets	12 March 2025	470,282.00	467,923.65	470,282.00	/	203,276.92	/	43.44	/	35,620.28	7.61	/
Total	/	**470,282.00**	**467,923.65**	**470,282.00**	/	**203,276.92**	/	/	/	**35,620.28**	/	/

2. *Details of Fundraising Projects*

(1) Detailed Utilisation of Proceeds

Unit: RMB10,000 Currency: RMB

Sources of proceeds	Project name	Project nature	Whether it is a committed investment project in the prospectus or the offering memorandum	Whether it involves the change in the investment	Total planned investment amount of the proceeds (1)	Amount invested this year	Total cumulative investment of proceeds as at the Reporting Date (2)	Cumulative investment progress as at the Reporting Date (%) (3) = (2)/(1)	Timeline for the proposed use of proceeds	Project completion status	Whether the investment progress is in line with the planned schedule	Specific reasons for failure to meet the planned investment progress	Benefits achieved this year	Benefits or R&D outcomes achieved by the Project	Are there any material changes to the project feasibility? If so, please provide specific details	Surplus amount
Issuance of shares to specific targets	Shenzhen Outer Ring Expressway Project (Shenzhen Section)	Investment and construction	Yes	No	457,693.21	35,620.28	193,046.48	42.18	Until 2028	No	Yes	N/A	N/A	N/A	N/A	N/A
Issuance of shares to specific targets	Repayment of interest-bearing liabilities	Loan repayment	Yes	No	10,230.44	/	10,230.44	100.00	2025	Yes	Yes	N/A	N/A	N/A	N/A	N/A
Total	/	/	/	/	**467,923.65**	**35,620.28**	**203,276.92**	/	/	/	/	/	/	/	/	/

As at the end of this Reporting Period, the remaining proceeds amounted to approximately RMB2,697.99 million (including income from wealth management and deposits), representing about 58% of total amount of proceeds. The remaining proceeds will be utilised in phases according to the project construction needs and is expected to be fully used by 2028.

3. *Other Uses of Proceeds during the Reporting Period*

(1) Initial Investment and Replacement of Proceeds for Investment Projects

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

On the same day, the *Proposal on Subsidiaries Using Notes to Make Advance Payments for Funds Required for Fundraising Projects and Replacing Them with an Equivalent Amount of Raised Funds upon Maturity* was considered and approved at the meeting. It authorised the use of commercial acceptance notes and other forms of notes to make advance payments for part of the funds required for the fundraising project. Upon maturity of such notes, the equivalent amount shall be reimbursed with raised funds, and such reimbursed amount shall be deemed as funds utilised for the fundraising project. The sponsor, CITIC Securities, issued a verification opinion with no objections. As at 30 June 2026, the total amount replaced with an equivalent amount of raised funds upon maturity of notes amounted to RMB190,087,520.50.

(2) Cash Management of Idle Proceeds and Investment in Related Products

Unit: RMB10,000 Currency: RMB

Date of review by the Board	Effective limit reviewed for the use of proceeds for cash management	Effective date	Expiration date	Cash management balance as at the Reporting Date	Whether the maximum balance exceeds the authorised limit during the period
10 February 2026	280,000	13 February 2026	28 January 2027	20,000	No
		13 February 2026	28 January 2027	20,000	No
		18 March 2026	18 March 2027	20,000	No
		1 April 2026	8 October 2026	40,000	No
		2 April 2026	8 October 2026	40,000	No
		3 April 2026	1 July 2026	120,000	No

Note:

Approved by the Company at the Fifty-ninth Meeting of the Ninth Board of Directors held on 10 February 2026, and in order to further improve funds utilisation efficiency, the Board of Directors has agreed that the Company may use a portion of the temporarily idle proceeds to purchase high-security and high-liquidity cash management products and deposit the remaining proceeds in the form of agreement deposits, provided that such utilisation shall in no event impede the construction of projects financed by proceeds, and the utilisation plan of proceeds, and ensure the security of proceeds. The balance of cash management products shall not exceed RMB2.8 billion. The term of each cash management product shall not exceed 12 months, and the investment limit may be used on a rolling basis within 24 months from the date of approval by the Board of Directors. It has agreed that upon the maturity of the previous agreement deposits, the remaining balance of the proceeds shall continue to be placed as agreement deposits and the relevant agreement for such deposits shall be entered into, with a term not exceeding 12 months, and that such agreement may be renewed within 24 months from the date of approval by the Board of Directors.

During the Reporting Period, the Group conducted two principal-guaranteed fixed-income 7-day call deposit transactions and eight principal-guaranteed floating-income structured deposit transactions, with a total cash management amount of RMB4 billion. The 7-day call deposits of RMB0.4 billion and structured deposits of RMB2.8 billion were redeemed and cash management income of RMB31.1785 million was received during the Reporting Period. As at the end of the Reporting Period, the Group held 6 outstanding cash management products totalling RMB2.6 billion, and there was no overdue principal or income uncovered.

(V) Issuance of Bonds

1. Issuance of corporate bonds

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

2. Issuance of medium-term notes

The Company issued the 2026 Tranche I of medium-term notes on 19 May 2026, with an issuance size of RMB1 billion, a term of 3 years and a coupon rate of 1.6%. For details, please refer to the Company's announcements dated 18 May and 20 May 2026.

The Company issued the 2026 Tranche II of medium-term notes on 20 July 2026, with an issuance size of RMB1 billion, a term of 3 years and a coupon rate of 1.55%. For details, please refer to the Company's announcements dated 17 July and 21 July 2026.

The Company issued the 2026 Tranche III of medium-term notes on 7 August 2026, with an issuance size of RMB1 billion, a term of 3 years and a coupon rate of 1.58%. For details, please refer to the Company's announcements dated 6 August and 10 August 2026.

3. Issuance of ultra-short-term commercial paper

The Company issued the 2026 Tranche I of ultra-short-term commercial paper on 24 July 2026, with an issuance size of RMB1 billion, a term of 270 days and a coupon rate of 1.41%. For details, please refer to the Company's announcements dated 23 July and 27 July 2026.

(VI) Significant Changes in Accounting Policies

On 5 December 2025, the Ministry of Finance issued the *Interpretation of the Accounting Standards for Business Enterprises No. 19* ("No. 19"), which clarified the accounting treatment of indemnification assets in business combinations not under common control, the accounting treatment of related capital reserves when disposing of subsidiaries previously acquired through business combinations under common control, the derecognition of financial liabilities settled through electronic payment systems, the assessment of contractual cash flow characteristics of financial assets and related disclosures, and the disclosure of equity instruments designated as at fair value through other comprehensive income, effective from 1 January 2026. The Group adopted the relevant provisions of Interpretation No. 19 effective from 1 January 2026. Upon assessment, the Group concluded that the adoption of these provisions has no material impact on the financial statements.

On 4 June 2026, the Ministry of Finance issued the Interpretation of the Accounting Standards for Business Enterprises No. 20 (hereinafter "Interpretation No. 20"), which clarified the assessment of contractual cash flow characteristics of financial assets, the accounting treatment and related disclosures in cases where a currency lacks exchangeability, effective from the date of promulgation. The Group adopted the relevant provisions of Interpretation No. 20 effective from 4 June 2026. Upon assessment, the Group concluded that the adoption of these provisions has no material impact on the financial statements.

(VII) Plans of Profit Distribution or Conversion of Capital Reserve

1. *2026 interim profit distribution proposal*

The Board recommends not distributing an interim dividend for the six months ended 30 June 2026 (2025 Interim: nil) and not converting capital reserve into share capital.

2. *Implementation of the 2025 annual profit distribution plan*

Approved at the 2025 Annual General Meeting, the Company, based on the total share capital of 2,537,856,127 shares as at 31 December 2025, distributed a final cash dividend of RMB0.244 per share (tax inclusive) to all shareholders for the year 2025, totalling RMB619,236,894.99. The profit distribution plan was fully implemented by 25 August 2025.

(VIII) Explanation of Other Major Events

1. Issuance of additional shares by subsidiaries

On 12 June 2026, the Group's subsidiary, Bay Area Development, issued 250 million additional shares to an independent third party at an issue price of HK$1.8335 per share. Upon completion of the issuance of additional shares, the total share capital of Bay Area Development increased from approximately 3.082 billion shares to approximately 3.332 billion shares, and the Company's equity interest in Bay Area Development was passively diluted from 79.98% to 73.98%.

2. Performance of the shortfall make-up agreement

On 16 January 2024, the Company, Mei Wah Company, CMF Fund and other relevant parties entered into a series of agreements in relation to postponed exit of CMF Fund. For details, please refer to the Company's announcement dated 16 January 2024. Upon the execution of the above agreement, the parties continued to monitor market conditions and maintain communications and negotiations, in order to achieve a smooth exit of CMF Fund from Bay Area Development in a manner that serves the interests of all parties. During the Reporting Period, CMF Fund transferred its entire 9.45% equity interest in Bay Area Development in two instalments. In accordance with the agreement, Mei Wah Company paid the shortfall makeup amount to CMF Fund on 31 July 2026.

According to the Chinese Accounting Standards for Business Enterprises, the shortfall makeup obligation borne by the Group was included in "trading financial liability". The Group engaged professional valuation firm to assess the fair value of the trading financial liability annually, and its changes in fair value had been recognised in the Group's profit or loss for each period and disclosed in the financial reports. The fulfilment of the shortfall makeup obligation is in line with expectations and will not have a material impact on the Group's financial condition or results of operations.

3. Entrusted wealth management

Subject to the condition that both safety and liquidity of capital can be assured, the Group purchased the wealth management products issued by banks with a portion of the temporarily idle raised funds and its own funds. For details on the Company's cash management using a portion of the temporarily idle raised funds, please refer to the above and the interim announcements previously published by the Company. During the Reporting Period, the Group conducted 15 transactions in principal-guaranteed floating income wealth management products using its own funds, with an entrusted wealth management principal amount of RMB2.92 billion. As at the end of the Reporting Period, the principal balance of the Group's wealth management products using its own funds amounted to RMB1.4 billion, and RMB10.8252 million of income on entrusted wealth management was received, with no overdue principal or income uncovered.

4. Completion of share transfer for Bioland's performance compensation

In connection with the litigation arising from the failure of the actual performance of Bioland during the performance guarantee period to meet the agreed performance targets set forth in the agreement between the Environmental Company and Zhengzhou Cida Environmental Protection Technology Co., Ltd., Beijing Shuiqi Lande Technology Co., Ltd., Shi Jun Ying and Shi Jun Hua (the "Performance Guarantors"), the Arbitral Award No. 7220 (2023) of the Shenzhen Court of International Arbitration ruled that the respondents shall transfer to the Environmental Company a total of 19,534,720 shares of Bioland held by them without consideration, among other things, as compensation for the accumulated performance guarantee for the years 2020-2022. As of the date of this report, the transfer of such shares has been completed, and the Company now holds approximately 96.60% of the shares of Bioland. For details, please refer to the Company's announcements dated 8 January 2020, 18 August 2023, and 3 December 2025.

(I) Corporate Governance

Listed on both SSE and HKEx, the Company has to comply with the applicable laws and regulatory requirements for securities regarding corporate governance practices in both places. During the Reporting Period, the Company complied with the Company Law and the relevant requirements issued by CSRC. The Company has also fully adopted all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules of HKEx. There has been no material deviation or non-compliance. The Company strives to implement better corporate governance practice. For details, please refer to the Company's Annual Report 2025.

(II) Investor Relations Management

The Company attaches importance to investor communication and engagement. During the first half of 2026, the Chairman, President, Independent Directors, Chief Financial Officer and Secretary of the Board, Vice Presidents, and the investor relations team of the Company actively participated in various investor relations activities to engage in direct communication with investors. The Company primarily conducts investor relations activities in the following forms:

- Disclosing the investor hotline and investor relations e-mailbox, setting up an online investor relations column, and promptly responding to investor enquiries. In the first half of 2026, the Company replied to over 50 investor inquiries via telephone, email or other means.

- Properly accommodating investors' visits and research requests. In the first half of 2026, the Company received a total of 20 investors for research and exchange, with an open mind to communicate with investors under a mechanism of direct dialogue between investors and the Company.

- Conducting various forms of presentation activities, including performance briefings, online investor meetings, roadshows, and participating in different investor conferences/forums. In the first half of 2026, the Company organised 3 performance briefings and engaged with approximately 120 participants, including investors, broker analysts, and media representatives.

- Promptly updating information and materials related to the Group's operations and development. In the first half of 2026, the Company prepared a total of 7 presentation materials covering its performance and business progress, which introduced to investors the Company's periodic operational management status and project performance and addressed to issues of concern to investors.

- Timely handling and replying to investors' messages through the "e-interaction" platform developed by SSE for listed companies and investors, and publishing investor interaction records on a monthly basis.

(III) Movements of Shares and Shareholders

1. Profile of Movements of Share Capital

(1) Profile of Movements of Shares

During the Reporting Period, the total number of shares and the share capital structure of the Company remained unchanged.

As at the end of the Reporting Period, the Company had a total of 2,537,856,127 issued ordinary shares, of which 1,790,356,127 A shares accounted for approximately 70.55% of the Company's total share capital; and 747,500,000 H shares accounted for approximately 29.45% of the Company's total share capital.

(2) Changes in Restricted Shares

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released during the Reporting Period	Number of restricted shares increased during the Reporting Period	Number of restricted shares as at the end of the Reporting Period	Reason for selling restriction	Lock-up expiry date
Xin Tong Chan Development (Shenzhen) Company Limited [1]	75,930,144	0	0	75,930,144	A shares issued to specific targets with restricted shares	27 September 2026
Total	**75,930,144**	**0**	**0**	**75,930,144**	/	/

Note:

(1) The Company completed the issuance of A shares to specific targets (the "Issuance") in March 2025. A total of 357,085,801 A shares were issued in the Issuance, of which XTC Company subscribed for 75,930,144 shares. These newly issued shares subscribed by XTC Company are restricted circulating shares and shall not be transferred within 18 months from the completion date of the Issuance. They remain subject to the lock-up restriction. For further details, please refer to the Company's announcement dated 24 September 2025.

2. Information of Shareholders

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

(1) Total number of shareholders:

The total number of shareholders of the Company was 19,919, of which 19,700 were holders of A shares and 219 were holders of H shares.

(2) Information of the top ten shareholders and the top ten holders of non-restricted circulating shares of the Company

Unit: Share(s)

The Top Ten Shareholders						
Name of shareholder	Changes during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of restricted circulating shares held	Number of shares pledged or frozen	Nature of shareholders
HKSCC NOMINEES LIMITED [1]	+376,494	730,923,736	28.80	–	Unknown	Overseas legal person
Xin Tong Chan Development (Shenzhen) Company Limited [2]	–	730,710,144	28.79	75,930,144	None	State-owned legal person
Shenzhen Shen Guang Hui Highway Development Company Limited [2]	–	411,459,887	16.21	–	None	State-owned legal person
Jiangsu Yunshan Capital Management Co., Ltd. [3]	–	242,976,461	9.57	–	Pledged 121,000,000	State-owned legal person
China Merchants Expressway Network & Technology Holdings Company Limited [4]	–	91,092,743	3.59	–	None	State-owned legal person
Anhui Expressway Company Limited [5]	+38,793,349	76,972,545	3.03	–	None	State-owned legal person
Guangdong Roads and Bridges Construction Development Company Limited	–	37,942,762	1.50	–	None	State-owned legal person
ZHANG PING YING	+608,800	11,420,965	0.45	–	Unknown	Domestic natural person
AU SIU KWOK	–	11,000,000	0.43	–	Unknown	Overseas natural person
Guotai Haitong Securities Co., Ltd.	+22,000	9,932,968	0.39	–	Unknown	Domestic non-state-owned legal person

The Top Ten Holders of Non-restricted Circulating Shares		
Name of shareholder	Number of non-restricted circulating shares held	Type of shares
HKSCC NOMINEES LIMITED	730,923,736	H Share
Xin Tong Chan Development (Shenzhen) Company Limited	654,780,000	A Share
Shenzhen Shen Guang Hui Highway Development Company Limited	411,459,887	A Share
Jiangsu Yunshan Capital Management Co., Ltd.	242,976,461	A Share
China Merchants Expressway Network & Technology Holdings Company Limited	91,092,743	A Share
Anhui Expressway Company Limited	76,972,545	A Share
Guangdong Roads and Bridges Construction Development Company Limited	37,942,762	A Share
ZHANG PING YING	11,420,965	A Share
AU SIU KWOK	11,000,000	H Share
Guotai Haitong Securities Co., Ltd.	9,932,968	A Share

Connected relationship or concerted action relationship among the abovementioned shareholders	XTC Company and SGH Company are connected persons under the same control of Shenzhen International. According to public information, CMET holds more than 20% of the shares in Anhui Expressway, and one of its incumbent directors also serves as a director of Anhui Expressway, indicating a connected relationship between these two shareholders. In addition to the above connected relationships, the Company is not aware of any connected relationships between the aforesaid shareholders and other shareholders, or among other shareholders.

Notes:

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

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

(3) According to the written notice from Yunshan Capital to the Company, as of 30 June 2026, Yunshan Capital held 242,976,461 A shares of the Company and held 98,846,000 H shares of the Company through HKSCC NOMINEES LIMITED, resulting in an aggregate holding of 341,822,461 shares, representing 13.47% of the Company's total issued share capital.

(4) According to the written notice from CMET to the Company, as of 30 June 2026, CMET held 91,092,743 A shares of the Company. CMET and its wholly-owned subsidiary collectively held 157,018,000 H shares through HKSCC NOMINEES LIMITED, resulting in an aggregate holding of 248,110,743 shares, representing 9.78% of the Company's total issued share capital.

(5) According to the written notice from Anhui Expressway to the Company, as of 30 June 2026, Anhui Expressway held 76,972,545 A shares of the Company and held 44,842,000 H shares of the Company through HKSCC NOMINEES LIMITED, resulting in an aggregate holding of 121,814,545 shares, representing 4.80% of the Company's total issued share capital.

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

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

(4) Disclosure of interests of shareholders pursuant to the Listing Rules of HKEx

As at 30 June 2026, as recorded in the register required to be maintained by the Company under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the interests or short positions of all persons (including but not limited to those holding or deemed to hold 5% or more of any class of shares of the Company, excluding the Company's directors or chief executives), in the shares and underlying shares of the Company were as follows:

A Share:

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

H Share:

Name of shareholder	Capacity	Number of H shares of the Company held	Percentage of total issued H Share capital
SIHC (2)	Interest of corporation controlled	52,612,000(L)	7.03%(L)
Shenzhen International (3)	Interest of corporation controlled	52,612,000(L)	7.03%(L)
Jiangsu Communications Holding Co., Ltd. (4)	Interest of corporation controlled	97,176,000(L)	13.00%(L)
Yunshan Capital (5)	Beneficial owner	97,176,000(L)	13.00%(L)
CMET (6)	Beneficial owner	102,462,000(L)	21.01%(L)
	Interest of corporation controlled	54,556,000(L)	
Anhui Expressway Company Limited	Beneficial owner	41,264,000(L)	5.52(L)

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

Notes:

(1) All the A shares of the Company are listed on the Main Board of SSE, and all the H shares of the Company are listed on the Main Board of HKEx.

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

(3) According to a written notice provided by Shenzhen International to the Company, as at 30 June 2026, Shenzhen International's wholly-owned subsidiary XTC Company directly held 730,710,144 A shares of the Company as beneficial owner; and its wholly-owned subsidiary SGH Company directly held 411,459,887 A shares of the Company as beneficial owner; Shenzhen International's wholly-owned subsidiary Advance Great Limited actually held 58,194,000 H shares of the Company, representing 7.79% of the Company's issued H share capital.

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

(5) According to the written notice provided by Yunshan Capital to the Company, as at 30 June 2026, Yunshan Capital directly held 242,976,461 A shares of the Company as beneficial owner; through the Hong Kong Stock Connect, Yunshan Capital held 98,846,000 H shares of the Company as beneficial owner, representing 13.22% of the Company's issued H Share capital.

(6) According to a written notice provided by CMET to the Company, as at 30 June 2026, CMET directly held 91,092,743 A shares of the Company as beneficial owner; through the Hong Kong Stock Connect, CMET held 102,462,000 H shares of the Company as beneficial owner, and through its wholly-owned subsidiary, Cornerstone Holdings Limited, it held 54,556,000 H shares of the Company, representing 21.01% of the Company's issued H Share capital.

Save as disclosed above, to the knowledge of the Company, as at 30 June 2026, there were no other persons required to be disclosed under Section 336 of Part XV of the Securities and Futures Ordinance of Hong Kong.

(5) The controlling shareholder and the de-facto controller

During the Reporting Period, there was no change in the controlling shareholder or the de-facto controller of the Company.

(IV) Purchase, Sale or Redemption of the Company's Securities

During the Reporting Period, the Company did not hold any treasury shares. Neither the Company nor its subsidiaries or joint ventures purchased, sold or redeemed any of the Company's listed securities.

(V) Directors and Senior Management

1. Changes of the Directors and Senior Management

(1) Personnel who were in office during the Reporting Period but had ceased to hold office as of the Reporting Date

Name	Position	Change
Xu En Li	Director	Resigned. Due to career change, Mr. Xu En Li submitted a written resignation report to the Board of the Company on 2 July 2026, resigning from the positions of Executive Director, Chairman of the Board, Chairman of the Strategy and Investment Committee, and Member of the Nomination Committee, and his resignation took effect immediately.

(2) Pursuant to Rule 13.51B(1) of the Listing Rules of HKEx, the change in the information of the Directors of the Company was disclosed as follows:

① In February 2026, Director Liao Xiang Wen resigned from his positions as Chairman of the Board and Director of Bay Area Development (a company listed on HKEx).

② In March 2026, Director Chen Yun Jiang resigned from his positions as Chairman of the Board and Director of Jiangsu Expressway Company Limited (a company listed on both SSE and HKEx).

③ Except for the above, during the Reporting Period, there was no change in the information of any Director of the Company that was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules of HKEx.

2. Information on the Interests of Directors and Senior Management in Securities

(1) Changes in shareholding

During the Reporting Period, none of the Directors and the Senior Management have bought or sold the Company's shares or been granted equity incentives by the Company.

As at the end of the Reporting Period, none of the Directors and the Senior Management held any shares of the Company.

(2) Disclosure of interests of the Management pursuant to the Listing Rules of HKEx

As at 30 June 2026, the interests or short positions of the Directors or the Chief Executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance Chapter 571 of the Laws of Hong Kong) which are required to be entered into the register maintained by the Company under Section 352 of Securities and Futures Ordinance (including deemed interests and short positions under such provisions of Securities and Futures Ordinance) or which are required to be notified to the Company and HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (collectively, "interests or short positions") were as follows:

Interests in share options of Shenzhen International:

			Change during the Reporting Period					
Name	Option	Share options unexercised as at 30 June 2026 [1] [2]	Adjustment during the Reporting Period	Granted during the Reporting Period	Exercised	Lapsed	Nature of Interests	Capacity
Liao Xiang Wen[3]	Share option scheme 1 [1]	249,000	–	–	–	–	Family interests	Beneficial owner
	Share option scheme 2 [2]	249,000	–	–	–	–		
Hou Sheng Hai	Share option scheme 1 [1]	470,100	–	–	–	–	Interests of director	Beneficial owner
	Share option scheme 2 [2]	470,100	–	–	–	–		

Note:

(1) The options under share option scheme 1 were granted on 1 November 2023 and could be exercised during the period from 1 November 2026 to 31 October 2028 pursuant to the grant conditions.

(2) The options under share option scheme 2 were granted on 1 November 2023 and could be exercised during the period from 1 November 2027 to 31 October 2028 pursuant to the grant conditions.

(3) The interests are owned by the spouse of director Liao Xiang Wen.

Saved as disclosed above, as at 30 June 2026, none of the Directors or the Chief Executive had interests or short positions defined above.

(3) Model code for securities transactions by Directors and Senior Management

The "Securities Transaction Code" of the Company has been adopted by the Board of Directors in accordance with Appendix C3 to the Listing Rules of HKEx entitled "Model Code for Securities Transactions by Directors of Listed Issuers" and the relevant regulations of the A Share market, as a written guide to regulate dealings in the Company's securities by Directors and relevant staff. The "Securities Transaction Code" of the Company has incorporated the standards set out in Appendix C3 to the Listing Rules of HKEx, and has gone beyond such standards to a certain extent.

After making specific enquiry of all the Directors and senior management, the Company confirms that all of the Directors and Senior Management have complied with the standards on securities transactions as set out in the aforementioned code during the Reporting Period.

(VI) Employees, Remuneration and Training

As of 30 June 2026, the Group (including the Company and subsidiaries in the consolidated financial statements) has a total workforce of 6,018, while 1,893 were management and professional staff, and 4,125 were toll collection and frontline staff.

The remuneration and benefits of the staff comprise position-based salary, performance-based remuneration and the statutory and corporate benefits. These are determined with reference to the market value of each position, the Company's overall performance and the individual comprehensive performance of employees, etc. Following the statutory requirements, the Group has participated in the employee retirement benefit program (social pension insurance) and the housing provident fund plan coordinated or organised by the local government authorities. The Group also provides employees with various social insurance programs such as medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. According to the relevant regulations, the Group is required to contribute to social security funds for pension and medical care based on a certain percentage of the total employee payroll, subject to a prescribed ceiling, and pay these contributions to the labour and social security authorities. In addition, the Company also makes regular contributions to enterprise annuity (supplementary pension insurance) for its management and professional staff.

Details of employee remuneration and benefits are set out in Notes V\28 and V\37 to the Financial Statements in this report.

The Company values employee training and has established a competency-specific training system. In 2026, focusing on strategic objectives and talent development planning and taking into account the key work and current status of the workforce, the Group developed multi-level and multi-specialty training programs for directors and senior management, middle management, general management and grassroots employees in a hierarchical manner based on the principle of implementation by level and classification as well as equal emphasis on internal and external training, with sessions covering areas like general management, operational management, technological innovation, professional qualities and specialized skills. During the Reporting Period, the Group implemented a total of 259 training programs, both online and offline, with approximately 8,803 participants.

(VII) Other Information

1. Audit Committee

The Board has established the Audit Committee comprising Non-executive Directors, with the majority being Independent Directors and chaired by an accounting professional among the Independent Directors.

The Audit Committee is responsible for reviewing the financial information of the Company and its disclosure; overseeing and evaluating the soundness and effectiveness of the internal control system of the Company; overseeing and evaluating the internal and external audit work, proposing the appointment or replacement of external audit firms, and coordinating the internal and external audit work; reviewing the internal audit report and the management's rectification measures and implementation status; and exercising the functions and powers previously vested in the Supervisory Committee under the Company Law.

The Group's interim financial data for 2026 and the comparative figures for the corresponding period of 2025 are prepared in accordance with Chinese Accounting Standards for Business Enterprises (CAS), while also complying with the disclosure requirements of the Listing Rules of HKEx. The Audit Committee has reviewed and confirmed the Group's financial report for the six months ended 30 June 2026, with such financial information being unaudited.

2. Names of Directors

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

2026 Interim Financial Statements

Consolidated Statement of Financial Position

As at 30 June 2026

(Expressed in Renminbi Yuan)

Item	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets:			
Cash at banks and on hand	V, 1	**4,439,674,611.32**	5,152,923,237.15
Transactional financial assets	V, 2	**4,136,047,816.87**	2,557,452,332.60
Bills receivable		**–**	3,244,984.06
Accounts receivable	V, 3	**895,786,998.29**	1,024,835,422.75
Prepayments	V, 4	**106,380,226.05**	119,598,712.32
Other receivables	V, 5	**737,393,203.92**	678,305,946.54
Including: Interest receivable		**–**	–
Dividends receivable		**149,372,133.59**	–
Inventories	V, 6	**909,625,566.15**	923,161,768.35
Contract assets	V, 7	**671,208,824.66**	533,485,773.31
Non-current assets due within one year	V, 8	**1,217,251,493.59**	941,440,005.71
Other current assets	V, 9	**427,650,928.16**	654,020,505.76
Total current assets		**13,541,019,669.01**	12,588,468,688.55
Non-current assets:			
Long-term prepayments	V, 10	**1,689,168,657.75**	1,787,717,710.25
Long-term receivables	V, 11	**2,815,343,483.35**	3,076,966,653.03
Long-term equity investments	V, 12	**18,703,976,089.86**	19,655,223,202.88
Other non-current financial assets	V, 13	**916,913,103.18**	1,086,963,286.26
Investment properties	V, 14	**19,549,220.17**	20,217,859.38
Fixed assets	V, 15	**6,709,699,597.26**	6,955,618,506.25
Construction in progress	V, 16	**138,430,586.17**	119,008,367.94
Right-of-use assets	V, 17	**25,311,808.50**	28,805,012.04
Intangible assets	V, 18	**24,491,707,122.22**	24,921,365,882.90
Development expenditures		**832,264.27**	829,064.27
Goodwill	V, 19	**–**	–
Long-term prepaid expenses		**22,362,951.00**	15,944,500.66
Deferred tax assets	V, 20	**94,511,591.33**	106,465,345.47
Other non-current assets	V, 21	**1,279,589,513.95**	925,556,333.37
Total non-current assets		**56,907,395,989.01**	58,700,681,724.70
Total assets		**70,448,415,658.02**	71,289,150,413.25

Consolidated Statement of Financial Position *(continued)*

As at 30 June 2026

(Expressed in Renminbi Yuan)

Item	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities:			
Short-term borrowings	V, 23	**3,852,645,672.32**	3,356,091,388.07
Transactional financial liabilities	V, 24	**–**	270,588,092.75
Bills payable	V, 25	**453,896,729.29**	334,725,708.50
Accounts payable	V, 26	**1,976,075,774.07**	2,869,401,694.00
Advances from customers		**23,614.68**	463,090.70
Contract liabilities	V, 27	**59,020,348.40**	54,544,169.64
Employee benefits payable	V, 28	**299,961,973.47**	367,072,530.88
Taxes payable	V, 29	**333,565,460.15**	352,076,398.65
Other payables	V, 30	**2,068,738,002.88**	1,258,603,170.27
Including: Interest payable		**–**	–
Dividends payable		**717,916,277.64**	62,493,194.42
Non-current liabilities due within one year	V, 31	**7,456,979,263.05**	6,383,064,479.84
Other current liabilities	V, 32	**31,714,267.22**	1,552,694,910.69
Total current liabilities		**16,532,621,105.53**	16,799,325,633.99
Non-current liabilities:			
Long-term borrowings	V, 33	**10,382,068,363.87**	11,127,215,070.78
Bonds payable	V, 34	**9,744,763,064.70**	9,293,546,076.09
Including: Preferred stock		**–**	–
Perpetual bonds		**–**	–
Lease liabilities	V, 35	**9,165,078.68**	14,519,888.88
Long-term payables	V, 36	**387,586,715.85**	387,586,715.85
Long-term employee benefits payable	V, 37	**115,649,911.45**	115,649,911.45
Provisions	V, 38	**306,477,143.59**	332,809,324.28
Deferred revenue	V, 39	**162,999,578.55**	230,906,185.46
Deferred tax liabilities	V, 20	**714,583,694.62**	809,284,736.75
Other non-current liabilities		**125,790,129.43**	125,824,859.55
Total non-current liabilities		**21,949,083,680.74**	22,437,342,769.09
Total liabilities		**38,481,704,786.27**	39,236,668,403.08

Consolidated Statement of Financial Position *(continued)*

As at 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Shareholders' equity:			
Equity	V, 40	**2,537,856,127.00**	2,537,856,127.00
Other equity instruments	V, 41	**4,000,000,000.00**	4,000,000,000.00
Including: Preferred stock		**–**	–
Perpetual bonds		**4,000,000,000.00**	4,000,000,000.00
Capital reserve	V, 42	**8,439,113,536.64**	8,682,999,006.34
Other comprehensive income	V, 43	**(742,629,561.50)**	(715,756,314.51)
Surplus reserve	V, 44	**4,206,521,195.85**	3,897,801,487.94
Undistributed profits	V, 45	**8,577,905,173.16**	8,628,237,805.30
Total equity attributable to shareholders of the Company		**27,018,766,471.15**	27,031,138,112.07
Minority interests		**4,947,944,400.60**	5,021,343,898.10
Total shareholders' equity		**31,966,710,871.75**	32,052,482,010.17
Total liabilities and shareholders' equity		**70,448,415,658.02**	71,289,150,413.25

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen
Head of the Company

Zhao Guiping
Chief financial officer

Jiang Weiqi
Head of accounting department

Company's Statement of Financial Position

As at 30 June 2026

(Expressed in Renminbi Yuan)

Item	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets:			
Cash at banks and on hand		**985,321,961.79**	2,302,810,399.04
Transactional financial assets		**3,015,162,582.94**	2,019,338,520.57
Accounts receivable	XV, 1	**113,784,799.91**	107,815,459.54
Prepayments		**4,134,604.18**	3,875,406.75
Other receivables	XV, 2	**803,874,609.64**	1,719,794,681.33
Including: Interest receivable		**–**	–
Dividends receivable		**27,643,009.50**	–
Inventories		**542,302.72**	656,495.51
Contract assets		**505,735,949.57**	103,623,565.17
Other current assets		**–**	–
Total current assets		**5,428,556,810.75**	6,257,914,527.91
Non-current assets:			
Long-term prepayments		**1,240,144,677.70**	1,265,661,693.78
Long-term receivables		**609,481,006.00**	668,535,000.00
Long-term equity investments	XV, 3	**37,625,646,394.69**	37,274,699,622.46
Other non-current financial assets		**858,250,186.24**	1,026,942,682.59
Investment properties		**8,056,406.40**	8,344,268.52
Fixed assets		**1,924,289,055.23**	1,971,665,364.46
Construction in progress		**19,616,029.98**	19,335,241.47
Right-of-use assets		**4,503,375.81**	7,405,747.41
Intangible assets		**3,455,940,472.96**	3,324,120,397.79
Development expenditures		**–**	–
Long-term prepaid expenses		**1,641,927.84**	1,775,109.33
Deferred tax assets		**7,620,175.00**	–
Other non-current assets		**–**	400,822,261.55
Total non-current assets		**45,755,189,707.85**	45,969,307,389.36
Total assets		**51,183,746,518.60**	52,227,221,917.27

Company's Statement of Financial Position *(continued)*

As at 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities:			
Short-term borrowings		**–**	–
Bills payable		**268,132,949.79**	129,432,256.00
Accounts payable		**141,628,809.06**	452,562,670.06
Advances from customers		**1,601,448.22**	2,201,991.31
Contract liabilities		**61,530,097.24**	61,530,097.24
Employee benefits payable		**100,196,378.00**	141,169,658.63
Taxes payable		**72,338,620.51**	50,142,548.21
Other payables		**4,461,316,210.95**	4,671,367,391.38
Including: Interest payable		**–**	–
Dividends payable		**619,120,689.24**	58,071,944.42
Non-current liabilities due within one year		**6,275,429,781.35**	5,215,193,271.86
Other current liabilities		**14,045,775.38**	1,530,432,861.07
Total current liabilities		**11,396,220,070.50**	12,254,032,745.76
Non-current liabilities:			
Long-term borrowings		**3,974,312,600.00**	4,233,402,880.00
Bonds payable		**9,744,763,064.70**	9,293,546,076.09
Including: Preferred stock		**–**	–
Perpetual bonds		**–**	–
Lease liabilities		**169,801.54**	1,941,674.82
Long-term payables		**387,586,715.85**	387,586,715.85
Long-term employee benefits payable		**69,919,951.40**	69,919,951.40
Provisions		**60,792,798.18**	59,747,221.80
Deferred revenue		**77,458,707.71**	101,468,909.05
Deferred tax liabilities		**88,546,309.55**	118,469,348.09
Total non-current liabilities		**14,403,549,948.93**	14,266,082,777.10
Total liabilities		**25,799,770,019.43**	26,520,115,522.86

Company's Statement of Financial Position *(continued)*

As at 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Shareholders' equity:			
Equity		**2,537,856,127.00**	2,537,856,127.00
Other equity instruments		**4,000,000,000.00**	4,000,000,000.00
Including: Preferred stock		**–**	–
Perpetual bonds		**4,000,000,000.00**	4,000,000,000.00
Capital reserve		**6,130,995,623.72**	6,198,372,579.72
Other comprehensive income		**881,126,633.41**	905,437,354.21
Surplus reserve		**4,206,521,195.85**	3,897,801,487.94
Undistributed profits		**7,627,476,919.19**	8,167,638,845.54
Total shareholders' equity		**25,383,976,499.17**	25,707,106,394.41
Total liabilities and shareholders' equity		**51,183,746,518.60**	52,227,221,917.27

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Operating income	V, 46	**3,652,853,398.72**	3,918,555,340.74
Less: Cost of services	V, 46	**2,322,823,924.76**	2,470,334,125.34
Taxes and surcharges		**29,385,202.56**	26,096,900.87
Selling expenses		**2,118,993.68**	4,817,879.86
General and administrative expenses	V, 47	**148,286,301.32**	168,509,154.09
Research and development expenses		**16,714,244.53**	14,841,823.89
Financial expenses	V, 48	**266,732,406.29**	389,905,591.92
Including: Interest expenses		**375,284,549.66**	441,660,805.41
Interest income		**25,296,555.76**	41,894,579.99
Add: Other income		**27,552,810.70**	12,432,026.20
Investment income	V, 49	**453,055,536.32**	411,862,144.79
Including: Income from investment in associates and joint ventures	V, 49	**429,895,111.31**	393,180,168.95
(Losses)/gains from changes in fair value	V, 50	**(107,863,751.45)**	76,421,030.52
Credit impairment losses	V, 51	**(54,433,290.43)**	(74,645,559.96)
Reversal/(losses) on impairment of assets	V, 52	**21,908.61**	(17,511,953.61)
Losses from disposal of assets		**(89,730.70)**	(54,929.89)
II. Operating profit		**1,185,035,808.63**	1,252,552,622.82
Add: Non-operating income		**2,307,570.03**	5,044,917.82
Less: Non-operating expenses		**18,307,175.07**	2,285,421.14
III. Total profit		**1,169,036,203.59**	1,255,312,119.50
Less: Income tax expenses	V, 53	**187,805,386.29**	224,652,990.20
IV. Net profit		**981,230,817.30**	1,030,659,129.30
(I) Classified by business continuity			
1. Net profit from continuing operations		**981,230,817.30**	1,030,659,129.30
2. Net profit from discontinued operations		**–**	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company		**918,846,192.90**	959,891,990.84
2. Profit or loss attributable to minority shareholders		**62,384,624.40**	70,767,138.46

Consolidated Statement of Profit or Loss and Other Comprehensive Income *(continued)*

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
V. Other comprehensive income, net of tax		**(19,552,696.51)**	75,725,357.25
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		**(26,873,246.99)**	57,850,789.59
1. Other comprehensive income that cannot be reclassified to profit or loss		**–**	–
2. Other comprehensive income that will be reclassified to profit or loss		**(26,873,246.99)**	57,850,789.59
(1) Other comprehensive income that will be transferred to profit or loss under the equity method	V, 43	**(24,921,009.10)**	17,499,568.54
(2) Translation differences of financial statements denominated in foreign currencies	V, 43	**(1,952,237.89)**	40,351,221.05
(II) Other comprehensive income attributable to minority shareholders, net of tax		**7,320,550.48**	17,874,567.66
VI. Total comprehensive income		**961,678,120.79**	1,106,384,486.55
Total comprehensive income attributable to shareholders of the Company		**891,972,945.91**	1,017,742,780.43
Total comprehensive income attributable to minority shareholders		**69,705,174.88**	88,641,706.12
VII. Earnings per share			
(I) Basic earnings per share (Yuan/share)	XVI, 2	**0.346**	0.382
(II) Diluted earnings per share (Yuan/share)	XVI, 2	**0.346**	0.382

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Company's Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Operating income	XV, 4	**853,776,933.16**	717,669,954.77
Less: Cost of services	XV, 4	**386,290,543.25**	248,126,962.32
Taxes and surcharges		**10,212,802.84**	9,327,366.82
General and administrative expenses		**84,834,550.55**	103,550,821.39
Financial expenses		**191,942,470.97**	249,892,635.86
Including: Interest expenses		**281,603,135.41**	308,568,638.11
Interest income		**27,203,337.57**	53,591,518.78
Add: Other income		**1,216,596.80**	1,285,908.28
Investment income	XV, 5	**369,653,395.84**	420,355,202.19
Including: Income from investment in associates and joint ventures		**145,296,878.47**	126,921,467.17
(Losses)/gains from changes in fair value		**(120,218,789.57)**	71,327,028.49
Losses from disposal of assets		**–**	(45,645.19)
II. Operating profit		**431,147,768.62**	599,694,662.15
Add: Non-operating income		**713,823.07**	30,768.42
Less: Non-operating expenses		**2,805,756.92**	399,594.70
III. Total profit		**429,055,834.77**	599,325,835.87
Less: Income tax expenses		**38,936.08**	17,537,521.19
IV. Net profit		**429,016,898.69**	581,788,314.68
(I) Net profit from continuing operations		**429,016,898.69**	581,788,314.68
(II) Net profit from discontinued operations		**–**	–
V. Other comprehensive income, net of tax		**(24,310,720.80)**	15,683,923.20
(I) Other comprehensive income that cannot be reclassified to profit or loss		**–**	–
(II) Other comprehensive income that will be reclassified to profit or loss		**(24,310,720.80)**	15,683,923.20
1. Other comprehensive income that will be transferred to profit or loss under the equity method		**(24,310,720.80)**	15,683,923.20
VI. Total comprehensive income		**404,706,177.89**	597,472,237.88

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Consolidated Statement of Cash Flows

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Cash flows from operating activities:			
Cash received from rendering services and selling goods		**3,646,500,038.70**	3,349,724,187.39
Refund of taxes		**4,710,257.18**	37,306,905.85
Other cash received relating to operating activities	V, 54(1)	**238,708,989.65**	213,490,900.38
Sub-total of cash inflows		**3,889,919,285.53**	3,600,521,993.62
Cash payments for goods and services		**657,787,290.40**	573,714,346.88
Cash payments to and on behalf of employees		**561,919,495.10**	556,081,053.33
Payment of various taxes		**446,422,119.55**	351,596,195.02
Other cash payments relating to operating activities	V, 54(1)	**184,554,964.43**	164,151,407.66
Sub-total of cash outflows		**1,850,683,869.48**	1,645,543,002.89
Net cash flows from operating activities	V, 55(1)	**2,039,235,416.05**	1,954,978,990.73
II. Cash flows from investing activities:			
Cash received from recovery of investments		**5,261,202,478.62**	321,402,591.68
Cash received from returns on investments		**320,192,646.00**	231,105,617.62
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**17,749.49**	50,370.99
Other cash received relating to investing activities	V, 54(2)	**5,870,307.34**	9,912,961.04
Sub-total of cash inflows		**5,587,283,181.45**	562,471,541.33
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		**927,048,130.42**	2,101,440,316.20
Cash payments for investing activities		**6,584,500,000.00**	3,051,105,046.00
Net cash payments for acquisitions of subsidiaries and other business units		**3,775,000.00**	–
Other cash payments relating to investing activities	V, 54(2)	**–**	10,285,883.00
Sub-total of cash outflows		**7,515,323,130.42**	5,162,831,245.20
Net cash flows from investing activities		**(1,928,039,948.97)**	(4,600,359,703.87)

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
III. Cash flows from financing activities:			
Cash received from capital contributions		**398,808,635.13**	8,702,919,999.17
Including: Cash received by subsidiaries from capital contributions by minority shareholders		**398,808,635.13**	100,000.00
Cash received from borrowings		**4,053,849,672.96**	11,918,849,695.58
Sub-total of cash inflows		**4,452,658,308.09**	20,621,769,694.75
Cash repayments of borrowings		**4,165,338,182.04**	11,570,754,009.91
Cash payments for distribution of dividends or profits or settlement of interest expenses		**488,495,796.08**	617,815,073.58
Including: Payments for distribution of dividends or profits to minority shareholders by subsidiaries		**–**	155,627,214.99
Other cash payments relating to financing activities	V, 54(3)	**657,724,212.50**	4,041,995,985.15
Sub-total of cash outflows		**5,311,558,190.62**	16,230,565,068.64
Net cash flows from financing activities		**(858,899,882.53)**	4,391,204,626.11
IV. Effect of exchange rate changes on cash and cash equivalents		**(2,286,839.85)**	(1,230,054.53)
V. Net (decrease)/increase in cash and cash equivalents	V, 55(1)2	**(749,991,255.30)**	1,744,593,858.44
Add: Cash and cash equivalents at the beginning of the period		**4,745,083,905.55**	2,670,493,652.96
VI. Cash and cash equivalents at the end of the period	V, 55(1)2	**3,995,092,650.25**	4,415,087,511.40

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Company's Statement of Cash Flows

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Cash flows from operating activities:			
Cash received from rendering services and selling goods		**638,685,547.53**	631,741,646.43
Refund of taxes		**–**	–
Other cash received relating to operating activities		**30,556,498.88**	13,447,109.88
Sub-total of cash inflows		**669,242,046.41**	645,188,756.31
Cash payments for goods and services		**116,837,587.58**	111,755,125.76
Cash payments to and on behalf of employees		**136,005,270.05**	153,625,814.54
Payment of various taxes		**44,485,795.74**	16,150,143.63
Other cash payments relating to operating activities		**47,770,305.41**	78,641,716.52
Sub-total of cash outflows		**345,098,958.78**	360,172,800.45
Net cash flows from operating activities		**324,143,087.63**	285,015,955.86
II. Cash flows from investing activities:			
Cash received from recovery of investments		**3,517,951,630.67**	94,962,454.75
Cash received from returns on investments		**325,031,868.52**	869,322,417.31
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**–**	40,457.42
Net cash received from disposals of subsidiaries and other business units		**–**	–
Other cash received relating to investing activities		**112,569,290.52**	43,782,809.95
Sub-total of cash inflows		**3,955,552,789.71**	1,008,108,139.43
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		**343,230,891.10**	1,044,333,379.34
Cash payments for investing activities		**4,900,000,000.00**	3,900,000,000.00
Other cash payments relating to investing activities		**–**	81,487.50
Sub-total of cash outflows		**5,243,230,891.10**	4,944,414,866.84
Net cash flows from investing activities		**(1,287,678,101.39)**	(3,936,306,727.41)

Company's Statement of Cash Flows *(continued)*

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	Note	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
III. Cash flows from financing activities:			
Cash received from capital contributions		–	8,702,819,999.17
Cash received from borrowings		**2,522,000,000.00**	9,626,434,463.69
Other cash received relating to financing activities		**168,642,906.95**	211,534,230.93
Sub-total of cash inflows		**2,690,642,906.95**	18,540,788,693.79
Cash repayments of borrowings		**2,669,210,000.00**	8,990,599,829.54
Cash payments for distribution of dividends or profits or settlement of interest expenses		**369,829,885.81**	285,758,140.40
Other cash payments relating to financing activities		**5,091,596.59**	4,034,002,926.04
Sub-total of cash outflows		**3,044,131,482.40**	13,310,360,895.98
Net cash flows from financing activities		**(353,488,575.45)**	5,230,427,797.81
IV. Effect of exchange rate changes on cash and cash equivalents		**(8,641.81)**	(1,798.15)
V. Net (decrease)/increase in cash and cash equivalents		**(1,317,032,231.02)**	1,579,135,228.11
Add: Cash and cash equivalents at the beginning of the period		**2,301,557,865.67**	792,672,285.68
VI. Cash and cash equivalents at the end of the period		**984,525,634.65**	2,371,807,513.79

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2026 (Unaudited)								
	Attributable to shareholders of the Company								
		Other equity instruments							
Item	Equity	Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total	Minority interests	Total shareholders' equity
I. Closing balance of the prior year (Audited)	2,537,856,127.00	4,000,000,000.00	8,682,999,006.34	(715,756,314.51)	3,897,801,487.94	8,628,237,805.30	27,031,138,112.07	5,021,343,898.10	32,052,482,010.17
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-
II. Opening balance of the current period	2,537,856,127.00	4,000,000,000.00	8,682,999,006.34	(715,756,314.51)	3,897,801,487.94	8,628,237,805.30	27,031,138,112.07	5,021,343,898.10	32,052,482,010.17
III. Changes for the period	-	-	(243,885,469.70)	(26,873,246.99)	308,719,707.91	(50,332,632.14)	(12,371,640.92)	(73,399,497.50)	(85,771,138.42)
(I) Total comprehensive income	-	-	-	(26,873,246.99)	-	918,846,192.90	891,972,945.91	69,705,174.88	961,678,120.79
(II) Shareholders' contributions and reduction in capital	-	-	(243,885,469.70)	-	-	-	(243,885,469.70)	(62,155,104.54)	(306,040,574.24)
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	398,808,635.13	398,808,635.13
2. Shareholders' reduction in capital	-	-	34,181,148.39	-	-	-	34,181,148.39	(667,878,217.92)	(633,697,069.53)
3. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-	-
4. Capital reduced by holders of other equity instruments	-	-	-	-	-	-	-	-	-
5. Others	-	-	(278,066,618.09)	-	-	-	(278,066,618.09)	206,914,478.25	(71,152,139.84)
(III) Profit distribution	-	-	-	-	308,719,707.91	(969,178,825.04)	(660,459,117.13)	(80,949,567.84)	(741,408,684.97)
1. Transfer to surplus reserve	-	-	-	-	308,719,707.91	(308,719,707.91)	-	-	-
2. Profit distribution to shareholders	-	-	-	-	-	(660,459,117.13)	(660,459,117.13)	(80,949,567.84)	(741,408,684.97)
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to equity	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to equity	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(V) Others	-	-	-	-	-	-	-	-	-
IV. Closing balance of the current period (Unaudited)	2,537,856,127.00	4,000,000,000.00	8,439,113,536.64	(742,629,561.50)	4,206,521,195.85	8,577,905,173.16	27,018,766,471.15	4,947,944,400.60	31,966,710,871.75

Consolidated Statement of Changes in Equity *(continued)*

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

	For the six months ended 30 June 2025 (Unaudited)								
	Attributable to shareholders of the Company								
		Other equity instruments							
Item	Equity	Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total	Minority interests	Total shareholders' equity
I. Closing balance of the prior year (Audited)	2,180,770,326.00	4,000,000,000.00	4,392,194,420.15	(762,550,544.98)	3,506,925,959.18	8,586,181,562.92	21,903,521,723.27	5,298,048,986.12	27,201,570,709.39
Add: Changes in accounting policies	–	–	–	–	–	–	–	–	–
II. Opening balance of the current period	2,180,770,326.00	4,000,000,000.00	4,392,194,420.15	(762,550,544.98)	3,506,925,959.18	8,586,181,562.92	21,903,521,723.27	5,298,048,986.12	27,201,570,709.39
III. Changes for the period	357,085,801.00	–	4,311,565,735.60	57,850,789.59	390,875,528.76	(104,061,266.24)	5,013,316,588.71	10,152,052.11	5,023,468,640.82
(I) Total comprehensive income	–	–	–	57,850,789.59	–	959,891,990.84	1,017,742,780.43	88,641,706.12	1,106,384,486.55
(II) Shareholders' contributions and reduction in capital	357,085,801.00	–	4,311,565,735.60	–	–	–	4,668,651,536.60	(5,319,746.53)	4,663,331,790.07
1. Ordinary shares contributed by shareholders	357,085,801.00	–	4,322,150,713.71	–	–	–	4,679,236,514.71	100,000.00	4,679,336,514.71
2. Shareholders' reduction in capital	–	–	–	–	–	–	–	(5,419,746.53)	(5,419,746.53)
3. Capital contribution from holders of other equity instruments	–	4,000,000,000.00	(3,858,490.57)	–	–	–	3,996,141,509.43	–	3,996,141,509.43
4. Capital reduced by holders of other equity instruments	–	(4,000,000,000.00)	–	–	–	–	(4,000,000,000.00)	–	(4,000,000,000.00)
5. Others	–	–	(6,726,487.54)	–	–	–	(6,726,487.54)	–	(6,726,487.54)
(III) Profit distribution	–	–	–	–	390,875,528.76	(1,063,953,257.08)	(673,077,728.32)	(73,169,907.48)	(746,247,635.80)
1. Transfer to surplus reserve	–	–	–	–	390,875,528.76	(390,875,528.76)	–	–	–
2. Profit distribution to shareholders	–	–	–	–	–	(673,077,728.32)	(673,077,728.32)	(73,169,907.48)	(746,247,635.80)
(IV) Transfers within shareholders' equity	–	–	–	–	–	–	–	–	–
1. Transfer of capital reserve to equity	–	–	–	–	–	–	–	–	–
2. Transfer of surplus reserve to equity	–	–	–	–	–	–	–	–	–
3. Loss offset by surplus reserve	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–
(V) Others	–	–	–	–	–	–	–	–	–
IV. Closing balance of the current period (Unaudited)	2,537,856,127.00	4,000,000,000.00	8,703,760,155.75	(704,699,755.39)	3,897,801,487.94	8,482,120,296.68	26,916,838,311.98	5,308,201,038.23	32,225,039,350.21

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Company's Statement of Changes in Equity

For the six months ended 30 June 2026
(Expressed in Renminbi Yuan)

Item	For the six months ended 30 June 2026 (Unaudited)						
	Equity	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Closing balance of the prior year (Audited)	2,537,856,127.00	4,000,000,000.00	6,198,372,579.72	905,437,354.21	3,897,801,487.94	8,167,638,845.54	25,707,106,394.41
Add: Changes in accounting policies	-	-	-	-	-	-	-
II. Opening balance of the current period	2,537,856,127.00	4,000,000,000.00	6,198,372,579.72	905,437,354.21	3,897,801,487.94	8,167,638,845.54	25,707,106,394.41
III. Changes for the period	-	-	(67,376,956.00)	(24,310,720.80)	308,719,707.91	(540,161,926.35)	(323,129,895.24)
(I) Total comprehensive income	-	-	-	(24,310,720.80)	-	429,016,898.69	404,706,177.89
(II) Shareholders' contributions and reduction in capital	-	-	(67,376,956.00)	-	-	-	(67,376,956.00)
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-
3. Capital reduced by holders of other equity instruments	-	-	-	-	-	-	-
4. Others	-	-	(67,376,956.00)	-	-	-	(67,376,956.00)
(III) Profit distribution	-	-	-	-	308,719,707.91	(969,178,825.04)	(660,459,117.13)
1. Transfer to surplus reserve	-	-	-	-	308,719,707.91	(308,719,707.91)	-
2. Profit distribution to shareholders	-	-	-	-	-	(660,459,117.13)	(660,459,117.13)
(IV) Others	-	-	-	-	-	-	-
IV. Closing balance of the current period (Unaudited)	2,537,856,127.00	4,000,000,000.00	6,130,995,623.72	881,126,633.41	4,206,521,195.85	7,627,476,919.19	25,383,976,499.17

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

Item	For the six months ended 30 June 2025 (Unaudited)						
	Equity	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Closing balance of the prior year (Audited)	2,180,770,326.00	4,000,000,000.00	1,878,291,070.83	910,912,836.61	3,506,925,959.18	8,148,685,576.26	20,625,585,768.88
Add: Changes in accounting policies	–	–	–	–	–	–	–
II. Opening balance of the current period	2,180,770,326.00	4,000,000,000.00	1,878,291,070.83	910,912,836.61	3,506,925,959.18	8,148,685,576.26	20,625,585,768.88
III. Changes for the period	357,085,801.00	–	4,318,292,223.14	15,683,923.20	390,875,528.76	(482,164,942.40)	4,599,772,533.70
(I) Total comprehensive income	–	–	–	15,683,923.20	–	581,788,314.68	597,472,237.88
(II) Shareholders' contributions and reduction in capital	357,085,801.00	–	4,318,292,223.14	–	–	–	4,675,378,024.14
1. Ordinary shares contributed by shareholders	357,085,801.00	–	4,322,150,713.71	–	–	–	4,679,236,514.71
2. Capital contribution from holders of other equity instruments	–	4,000,000,000.00	(3,858,490.57)	–	–	–	3,996,141,509.43
3. Capital reduced by holders of other equity instruments	–	(4,000,000,000.00)	–	–	–	–	(4,000,000,000.00)
4. Others	–	–	–	–	–	–	–
(III) Profit distribution	–	–	–	–	390,875,528.76	(1,063,953,257.08)	(673,077,728.32)
1. Transfer to surplus reserve	–	–	–	–	390,875,528.76	(390,875,528.76)	–
2. Profit distribution to shareholders	–	–	–	–	–	(673,077,728.32)	(673,077,728.32)
(IV) Others	–	–	–	–	–	–	–
IV. Closing balance of the current period (Unaudited)	2,537,856,127.00	4,000,000,000.00	6,196,583,293.97	926,596,759.81	3,897,801,487.94	7,666,520,633.86	25,225,358,302.58

The attached notes form part of the interim financial statements.

The interim financial statements are signed by the following persons:

Liao Xiangwen	**Zhao Guiping**	**Jiang Weiqi**
Head of the Company	Chief financial officer	Head of accounting department

Notes to the financial statements

I. GENERAL INFORMATION OF THE COMPANY

1. Company profile

Shenzhen Expressway Corporation Limited (the "Company") is a joint stock limited company established in Guangdong Province, the People's Republic of China (the "PRC") on 30 December 1996. The Company has its H shares and A shares listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange of the PRC, respectively. The address of its registered office is Fumin Toll Station, Fucheng Street, Longhua District, Shenzhen, the PRC. The head office of the Company is located at Hanking Center Tower, No. 9968, Shennan Avenue, Yuehai Street, Nanshan District, Shenzhen, the PRC.

The principal activities of the Company and its subsidiaries (the "Group") are the investment, construction, operation and management of toll highways and environmental protection in China. The environmental protection business mainly includes the recycling and treatment of solid waste and clean energy power generation.

The parent company and actual controlling party of the Company are Shenzhen International Holdings Limited ("Shenzhen International") and the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality ("Shenzhen SASAC") respectively.

2. Date of approval for issue of the financial statements

These financial statements were approved for issue by the Company's Board of Directors on 25 August 2026.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of preparation

The Group implements the Accounting Standards for Business Enterprises and related regulations issued by the Ministry of Finance. In addition, the related financial information is disclosed in accordance with the requirements of the *Rules Governing the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Requirements for Financial Reporting (Revised in 2023)*, *Hong Kong Companies Ordinance* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*.

Going concern

As of 30 June 2026, the Group and the Company had total current liabilities in excess of total current assets by RMB2,991,601,436.52 and RMB5,967,663,259.75, respectively, and the amount of capital commitments expected to be paid by the Group in the coming year totaled RMB5,564,928,576.12. As at 30 June 2026, the Group and the Company had unused bank credit lines totaling RMB77,257,697,396.28 and RMB55,406,913,066.28, respectively, which can satisfy the Group's debt and capital commitments. As the Group can solve the lack of working capital through reasonable financing arrangements, the financial statements have been prepared on a going concern basis.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash and cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash and cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

In the measurement of non-financial assets at fair value, market participants' ability to best utilize such assets to generate economic benefits, or the ability to sell such assets to other market participants who are able to best utilize the assets to generate economic benefits is taken into account.

For financial assets of which transaction prices are the fair value on initial recognition, and of which valuation technique involving unobservable input is used in subsequent measurement, the valuation technique in the course of valuation is adjusted to enable the result of initial recognition based on the valuation technique equal to the transaction price.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than inputs within Level 1, that are observable for the asset or liability;
- Level 3 inputs are unobservable inputs for the asset or liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and Company's financial position as at 30 June 2026, and the consolidated and Company's operating results, the consolidated and Company's changes in equity and the consolidated and Company's cash flows for the six months then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

3. Operating cycle

An operating cycle refers to the period when an enterprise purchases assets for processing purpose till the realization of those assets in cash or cash equivalents. The operating cycle of the Group is 12 months.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's foreign subsidiary chooses its functional currency on the basis of the primary economic environment in which it operates. The Company adopts RMB to prepare its financial statements.

5. Method for determination of materiality criteria and basis for selection

Item	Materiality criteria
Significant bad debt provisions recovered or reversed	The amount is greater than or equal to RMB30 million
Significant contract assets Projects	The amount is greater than or equal to RMB30 million
Significant construction in progress	The amount is greater than or equal to RMB30 million
Significant accounts payable aged over one year	The amount is greater than or equal to RMB30 million
Significant other payables aged over one year	The amount is greater than or equal to RMB30 million
Cash receipts relating to significant investing activities	The amount is greater than 10% of the subtotal of cash inflows from investing activities and is greater than or equal to RMB100 million
Cash payments relating to significant investing activities	The amount is greater than 10% of the subtotal of cash outflows from investing activities and is greater than or equal to RMB100 million
Significant non-wholly owned subsidiaries	The amount of revenue or net profit (in absolute value in case of loss) realized by a non-wholly owned subsidiary in the current period or the amount of any item included in total assets at the end of the period of a non-wholly owned subsidiary is greater than 5% of the amount of corresponding item in the Group's consolidated financial statements
Significant joint ventures or associates	The closing balance of long-term equity investment in the enterprise accounts for more than 5% of the Group's total consolidated assets or the investment income (in absolute value in case of loss) recognized under the equity method for the period accounts for more than 5% of the Group's total consolidated profit
Significant contingencies	The amount is greater than or equal to RMB50 million

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Accounting treatment of business combinations involving entities under common control and business combinations not involving entities under common control

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

6.1 Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount (or the total face value of issued shares) of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss for the period in which they are incurred.

6.2 Business combinations not involving entities under common control and goodwill

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. Where a business combination not involving entities under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer first reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the period.

Goodwill arising from a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Determination criteria of control and preparation of consolidated financial statements

7.1 Determination criteria of control

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. If changes in related facts and situations lead to changes in related elements of control, the Group will conduct reassessment.

7.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

The combination of subsidiaries begins when the Group obtains control over the subsidiary, and ceases when the Group loses control over the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving entities under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving entities under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Determination criteria of control and preparation of consolidated financial statements (Continued)

7.2 Preparation of consolidated financial statements (Continued)

The effects over the consolidated financial statements arising from intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "profit or loss attributable to minority shareholders" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the shareholders' interests and minority interests of the Company are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving entities under common control, this should be dealt with based on whether this belongs to a 'package deal': if it belongs to a 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to a 'package deal', transactions to acquire control on the acquisition date will be under accounting treatment, the fair value of acquirees' shares held before the acquisition date will be revalued, and the difference between fair value and carrying amount will be recognized in profit or loss for the period; if acquirees' shares held before the acquisition date involve changes in other comprehensive income and other equity of owners under equity method, this will be transferred to income of the acquisition date.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received on disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, and goodwill shall be offset. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Determination criteria of control and preparation of consolidated financial statements (Continued)

7.2 Preparation of consolidated financial statements (Continued)

When the Group loses control over a subsidiary in two or more transactions, terms and conditions of the transactions and their economic effects are considered. One or more of the following indicate that the Group shall account for the multiple transactions as a 'package deal': (1) they are entered into at the same time or in contemplation of each other; (2) they form a complete transaction designed to achieve an overall commercial effect; (3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; (4) one transaction alone is not economically justified, but it is economically justified when considered together with other transactions. Where the transactions of disposal of equity investments in a subsidiary until the loss of control are assessed as a package deal, these transactions are accounted for as one transaction of disposal of a subsidiary with loss of control. Before losing control, the difference of consideration received on disposal and the share of net assets of the subsidiary continuously calculated from the acquisition date is recognized as other comprehensive income. When losing control, the cumulated other comprehensive income is transferred to profit or loss for the period in which the control is lost. If the transactions of disposal of equity investments in a subsidiary are not assessed as a package deal, these transactions are accounted for as unrelated transactions.

8. Classification of joint arrangements

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group's joint arrangement is joint venture, which is accounted for using the equity method. Refer to Note III, 18.3.2 "Long-term equity investments accounted for using the equity method".

9. Determination criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be withdrawn on demand at any time; cash equivalents are the Group's short-term (generally due within three months from the date of purchase), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Translation of transactions and financial statements denominated in foreign currencies

10.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of transaction.

At the date of financial position statements, foreign currency monetary items are translated into functional currency using the spot exchange rates at the date of financial position statements. Exchange differences arising from the differences between the spot exchange rates prevailing at the date of financial position statements and those on initial recognition or at the previous date of financial position statements are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from changes in the gross carrying amount (other than the amortized cost) of monetary items at fair value through other comprehensive income are recognized in other comprehensive income.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "translation differences of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rate) and is recognized in profit or loss or as other comprehensive income.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Translation of transactions and financial statements denominated in foreign currencies (Continued)

10.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the financial position statements are translated at the spot exchange rate prevailing at the date of financial position statements; shareholders' equity items except for "undistributed profits" are translated at the spot exchange rates on the dates of the transactions; income and expense items in the statement of profit or loss and other comprehensive income are translated at the average rates on the dates of the transactions; the difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at average exchange rate for the period in which cash flows occur. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The closing balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated translation differences of financial statements denominated in foreign currencies attributable to the shareholders' equity of the Company and presented under other comprehensive income, to profit or loss for the period in which the disposal occurs.

In case of a disposal of part of equity investments or other reason leading to lower interest percentage in foreign operations but does not result in the Group losing control over a foreign operation, the proportionate share of accumulated exchange differences arising from translation of financial statements are re-attributed to minority interests and are not recognized in profit or loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising from translation of financial statements of foreign operations is reclassified to profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments

Financial assets or financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value (the method for determining the fair values of the financial assets and financial liabilities is set out in related disclosures under "basis of accounting and principle of measurement" in Note II). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of accounts receivable that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the *Accounting Standards for Business Enterprises No. 14 – Revenue* ("Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) (without considering the expected credit losses).

The amortized cost of a financial asset or financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of difference between the amount initially recognized and the amount at the maturity date using effective interest method, and then net of cumulative provision for credit loss (only applicable to financial assets).

11.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortized cost, which include cash at banks and on hand, bills receivable, accounts receivable, other receivables and long-term receivables, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, the Group classifies such financial asset as financial assets at FVTOCI. The accounts receivable and bills receivable classified as at FVTOCI upon acquisition are presented under financing with receivables, while the remaining items due within one year (inclusive) upon acquisition are presented under other current assets. Other financial assets of such type are presented as other debt investments if they are due after one year since the acquisition, or presented under non-current assets due within one year if they are due within one year (inclusive) since the date of financial position statements.

Upon initial recognition, the Group may irrevocably designate the non-transactional equity instrument investments other than contingent considerations recognized in business combination not involving enterprises under common control as financial assets at FVTOCI on an individual basis. Such type of financial assets is presented as investments in other equity instruments.

A financial asset is classified as transactional if any of the following criteria is satisfied:

- It has been acquired principally for the purpose of selling it in near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL:

- Financial assets not satisfying the criteria of classification as financial assets at amortized cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL other than derivative financial assets are presented as transactional financial assets. Financial assets with a maturity over one year since the date of financial position statements (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

11.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss.

For financial assets at amortized cost, the Group recognizes interest income using effective interest rate method. The Group calculates and recognizes interest income through gross carrying amount of financial assets multiplying effective interest rate, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes the interest income based on the amortized cost of the financial assets and the effective interest rate through credit adjustment since initial recognition.

- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Group calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Group will calculate the interest income by applying effective interest rate to the gross carrying amount of the financial assets.

11.1.2 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains and the interest income and exchange losses or gains calculated using the effective interest method which are included in profit or loss for the period, the changes in fair value are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if it has been always measured at amortized cost. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

Changes in fair value of non-trading equity instrument investments designated as financial assets at FVTOCI are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings. During the period in which the Group holds the non-trading equity instrument, revenue from dividends is recognized and included in profit or loss for the period when (1) the Group has established the right of collecting dividends; (2) it is probable that the associated economic benefits will flow to the Group; and (3) the amount of dividends can be measured reliably.

11.1.3 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with gains or losses on changes in fair value and related dividends and interest income included in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments

For financial assets at amortized cost, financial assets classified as at FVTOCI, lease receivables, contract assets, financial liabilities that are not at FVTPL and financial guarantee contracts that are not qualified for derecognition due to the transfer of financial assets or financial liabilities arising from continuing involvement of the transferred financial assets, the Group accounts for the impairment and recognizes the provision for losses on the basis of expected credit loss ("ECL").

For all contract assets, bills receivable and accounts receivable arising from transactions regulated by Revenue Standards, and lease receivables arising from transactions regulated by the *Accounting Standards for Business Enterprises No. 21 – Lease*, the Group recognizes the provision for losses at an amount equivalent to the lifetime ECL.

For other financial instruments, except for the purchased or originated credit-impaired financial assets, the Group assesses whether their credit risk has increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognizes the provision for losses at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognizes the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit loss provision for financial assets other than those classified as at FVTOCI is recognized as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss provision is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the financial position statements.

Where the Group has measured the provision for losses at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current date of financial position statements, the Group recognizes the provision for losses of the financial instrument at an amount equivalent to 12-month ECL at the current date of financial position statements, with any resulting reversal of provision for losses recognized as impairment gains in profit or loss for the period.

11.2.1 Significant increase in credit risk

The Group uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the date of financial position statements with the risk of a default occurring on the financial instrument at the date of initial recognition. For financial guarantee contracts, the date on which the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

The following information is taken into account when assessing whether the credit risk has increased significantly:

(1) Significant changes in internal price indicators resulting from changes in credit risk;

(2) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the date of financial position statements (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.);

(3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as the borrower's debt instruments or changes in the price of equity instruments);

(4) An actual or expected significant change in the financial instrument's external credit rating;

(5) An actual or expected decrease in the internal credit rating for the debtor;

(6) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

(7) An actual or expected significant change in the operating results of the debtor;

(8) Significant increase in the credit risk of other financial instruments issued by the same debtor;

(9) Significant adverse changes in regulatory, economic, or technological environment of the debtor;

(10) Significant changes in the value of collaterals or the quality of guarantees or credit enhancements provided by third parties, which are expected to reduce the debtor's economic motives to repay within the time limit specified in contract or affect the probability of default;

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

(11) Significant change in the debtor's economic motives to repay within the time limit specified in contract;

(12) Expected changes to loan contract, including the exemption or revision of contractual obligations, the granting of interest-free periods, the jump in interest rates, the requirement for additional collateral or guarantees, or other changes in the contractual framework for financial instruments that may result from the breach of contract;

(13) Significant change in expected performance and repayment of the debtor;

(14) Significant change in the method used by the Group to manage the credit of financial instrument.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days (inclusive) past due.

11.2.2 Credit-impaired financial asset

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit impaired. The evidence of credit impairment of financial assets includes the following observable information:

(1) Significant financial difficulty of the issuer or debtor;

(2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;

(3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession that the creditor would not otherwise consider;

(4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;

(5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.2 Credit-impaired financial asset (Continued)

(6) Purchase or originate a financial asset at a significant discount which reflects the fact of credit impairment.

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the outcome of the above assessment, the Group presumes that an event of default on the financial instrument has occurred if the contractual payment of the financial instrument has been more than 90 days (inclusive) past due.

11.2.3 Determination of ECL

The Group determines the ECL of relevant financial instruments using the following method:

- For financial assets, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be received by the Group.
- For lease receivables, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be received by the Group.
- For financial guarantee contracts (see Note III, 11.4.1.2.1 for specific accounting policies), the credit loss represents the present value of the difference between the expected payment to be made by the Group to the contract holder for the credit losses incurred, and the amount the Group expects to receive from the contract holder, the debtor or any other parties.

The factors reflected by the Group's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognized by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the date of financial position statements.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the gross carrying amount of the financial asset, which constitutes derecognition of relevant financial assets.

11.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. Relevant liabilities are measured using the following methods:

- For transferred financial assets carried at amortized cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortized cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortized cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at FVTPL.

- For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.3 Transfer of financial assets (Continued)

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair value of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognized on the date of derecognition; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

11.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

11.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

11.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include transactional financial liabilities (including derivative financial liabilities) and financial liabilities designated as at FVTPL. Except for derivative financial liabilities which are presented separately, financial liabilities at FVTPL are presented as transactional financial liabilities.

A financial liability is classified as transactional if any of the following criteria is satisfied:

- It has been incurred principally for the purpose of repurchasing it in the near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Classification, recognition and measurement of financial liabilities (Continued)

11.4.1.1 Financial liabilities at FVTPL (Continued)

A financial liability may be designated as at FVTPL upon initial recognition if: (1) such designation eliminates or significantly reduces accounting mismatch; (2) the Group makes management and performance evaluation on a fair value basis for a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities, in accordance with the Group's formally documented risk management or investment strategy, and reports to key management personnel on that basis; (3) the qualified hybrid contract that contains embedded derivatives.

Transactional financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss for the period.

For a financial liability designated as at FVTPL, the amount of changes in the fair value of the financial liability that are attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, while other changes in fair value are included in profit or loss for the period. Upon the derecognition of such financial liability, the accumulated amount of changes in fair value that are attributable to changes in the credit risk of that liability, which was recognized in other comprehensive income, is transferred to retained earnings. Any dividend or interest expense on the financial liabilities is recognized in profit or loss. If the accounting treatment for the impact of the change in credit risk of such financial liability in the above ways would create or enlarge an accounting mismatch in profit or loss, the Group shall present all gains or losses on that liability (including the effects of changes in the credit risk of that liability) in profit or loss for the period.

For financial liabilities arising from contingent consideration recognized by the Group as the acquirer in the business combination not involving enterprises under common control, the Group measures such financial liabilities at fair value and includes the changes in financial liabilities in profit or loss for the period.

11.4.1.2 Other financial liabilities

Except for financial liabilities and financial guarantee contracts arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

If the modification or renegotiation for the contract by the Group and its counterparties does not result in derecognition of a financial liability subsequently measured at amortized cost but the changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine the carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the original effective interest rate of the financial liability. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Classification, recognition and measurement of financial liabilities (Continued)

11.4.1.2 Other financial liabilities (Continued)

11.4.1.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial liabilities that are not designated as at FVTPL or financial guarantee contracts of the financial liabilities arising from the transfer of financial assets that does not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets are measured at the higher of: (1) amount of provision for losses; and (2) the amount initially recognized less cumulative amortization amount determined according to relevant regulations in revenue standards.

11.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

11.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes in equity. Change in fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.5 Derivatives and embedded derivatives

Derivatives include forward exchange contracts and foreign exchange option contracts, etc. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value.

Derivatives embedded in hybrid contracts with a financial asset host are not separated by the Group. The hybrid contract shall apply to the relevant accounting standards regarding the classification of financial assets as a whole.

Derivatives embedded in hybrid contracts with hosts that are not financial assets are separated and treated as separate derivatives by the Group when they meet the following conditions:

(1) The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

(2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

(3) The hybrid contracts are not measured at FVTPL.

For the embedded derivative separated from the host contracts, the Group accounts for the host contracts in the hybrid contracts with applicable accounting standards. When the embedded derivatives whose fair value cannot be measured reliably by the Group according to the terms and conditions of the embedded derivatives, the fair value of such derivatives are measured at the difference between the fair value of the hybrid contracts and the fair value of the host contracts. By adopting the above method, if the embedded derivative cannot be measured on a stand-alone basis at the time when it is acquired or at subsequent date of financial position statements, the hybrid instrument is designated as financial instruments at FVTPL as a whole.

11.6 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the financial position statements. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the financial position statements and shall not be offset.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Bills receivable

12.1 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

Except for bills receivable for which the credit losses are assessed on an individual basis, the remaining bills receivable are categorized into different portfolios based on their credit risk characteristics:

Category of portfolio	Basis for determination
Portfolio I	Bills receivable accepted by banks with high credit ratings
Portfolio II	Bills receivable accepted by banks with low credit ratings
Portfolio III	Bills receivable accepted by domestic enterprises

12.2 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on bills receivable from acceptors who clearly lack the ability to repay debts on an individual basis due to the fact that such bills receivable are expected to be irrecoverable.

13. Accounts receivable

13.1 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The accounts receivable are categorized into following portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include historical credit losses, nature of the customers, etc.

Category of portfolio	Basis for determination
Portfolio I	Receivables from government and related parties
Portfolio II	Receivables from customers in wind turbine generators sales industry
Portfolio III	Receivables from customers in kitchen waste disposal industry
Portfolio IV	Receivables from other third parties other than those in Portfolio I, II and III

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Accounts receivable (Continued)

13.2 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

For Portfolio II, III and IV, the Group adopts the aging of accounts receivable as a credit risk characteristic to determine the expected credit losses using an impairment matrix. The aging is calculated from the date of initial recognition. If the terms and conditions of accounts receivable are modified which do not result in the derecognition of accounts receivable, the aging is calculated consecutively. If the accounts receivable are converted from contract assets, the aging is calculated consecutively from the date of initial recognition of the corresponding contract assets. If the debtor settles accounts receivable with commercial acceptance bills or acceptance bills of finance company, the aging of bills receivable is added to that of the original accounts receivable for calculation.

13.3 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on accounts receivable from customers who clearly lack the ability to repay debts on an individual basis due to the fact that such accounts receivable are expected to be irrecoverable.

14. Other receivables

14.1 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The Group categorizes other receivables into low-risk portfolio and normal-risk portfolio based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include category of the debtors, etc.

14.2 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

The aging is calculated from the date of initial recognition. If the terms and conditions of other receivables are modified which do not result in the derecognition of other receivables, the aging is calculated consecutively.

14.3 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on other receivables from customers who clearly lack the ability to repay debts on an individual basis due to the fact that such other receivables are expected to be irrecoverable.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Inventories

15.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for low-value consumables and packaging materials

15.1.1 Categories of inventories

The Group's inventories mainly include real estate development properties, raw materials, work in progress, goods on hand, low-value consumables and others, etc.

Real estate properties comprise properties held for sale, properties under development and properties held for development. Properties held for sale are those completed and for sale; properties under development are those still under construction and for sale purposes; and properties held for development are lands purchased and planned to have properties developed on.

Inventories are initially measured at cost. Cost of real estate development comprises land cost, construction cost and other costs. Cost of raw materials, work in progress and goods on hand comprises cost of purchase, cost of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

15.1.2 Valuation method of inventories upon delivery

The cost of completed properties is determined using the specific identification method. The actual cost of raw materials, work in progress, and goods on hand upon delivery is calculated using the FIFO method. The cost of maintenance and repair parts upon delivery is calculated using the weighted average method.

15.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

15.1.4 Amortization method for low-value consumables and packaging materials

Low-value consumables and packaging materials are amortized using the immediate write-off method.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Inventories (Continued)

15.2 Recognition criteria and provision method for decline in value of inventories

At the date of financial position statements, the inventories are measured at the lower of the cost and the net realizable value. If the net realizable value is lower than the cost, a provision for decline in value of inventories is made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post financial position statement events.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

15.3 Categories of portfolios for which provision for decline in value of inventories is made on a portfolio basis and the basis for determination, and the basis for determining the net realizable value of different categories of inventories

For large quantity and low value items of inventories, provision for decline in value is made based on categories of inventories, i.e., wind turbine equipment, kitchen waste disposal equipment, power batteries, real estate inventories and others, respectively. The net realizable value of each category of inventories is determined based on the contract prices or market prices for similar goods.

16. Contract assets

16.1 Determination method and criteria for contract assets

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Contract assets (Continued)

16.2 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The contract assets are categorized into following portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include historical credit losses, nature of the customers, etc.

Category of portfolio	Basis for determination
Portfolio I	Government and related parties
Portfolio II	Customers in wind turbine generators sales industry (warranty deposits receivable)
Portfolio III	Customers in kitchen waste disposal industry
Portfolio IV	Other third parties other than those in Portfolio I, II and III

16.3 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

For Portfolio III and IV, the Group adopts the aging of contract assets as a credit risk characteristic to determine the credit losses using an impairment matrix. The aging is calculated from the date of initial recognition.

16.4 Determination criteria of provision for bad debts on an individual basis

The Group assesses the credit risk on contract assets for which the customers clearly lack the ability to repay debts on an individual basis due to the fact that such contract assets are expected to be irrecoverable.

17. Non-current assets or disposal groups classified as held for sale

17.1 Recognition criteria and accounting methods for non-current assets or disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale (including an exchange of non-monetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held for sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Non-current assets or disposal groups classified as held for sale (Continued)

17.1 Recognition criteria and accounting methods for non-current assets or disposal groups classified as held for sale (Continued)

The Group measures the no-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, the carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognized in impairment losses of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the date of financial position statements, the original deduction should be reversed in impairment losses of assets recognized after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. Impairment losses of assets recognized before they are classified as held for sale will not be reversed.

Non-current assets classified as held for sale or disposal groups are not depreciated or amortized, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognized.

All or part of equity investments in an associate or joint venture are classified as held for sale assets. For the part that is classified as held for sale, it is no longer accounted for using the equity method since the date of the classification.

17.2 Recognition criteria and presentation method for discontinued operations

A discontinued operation is a component of the Group that can be clearly distinguished and satisfies one of the following conditions, and such component has been disposed of or is classified as held for sale:

– Such component represents a separate major line of business or geographical area of operations;

– Such component is part of the separate major line of business or geographical area of operations to be disposed of based on the associated plan;

– Such component is a subsidiary acquired exclusively for the purpose of resale.

Gains or losses from discontinued operations are presented separately from those from continuing operations in the statement of profit or loss and other comprehensive income. Operating gains or losses such as impairment losses from discontinued operations and the amount of reversals, and the gains or losses from disposals are presented as discontinued operations. For discontinued operations presented in the current period, the Group restates the information previously presented as gains or losses from continuing operations in the financial statements for the period as discontinued operations in the comparable accounting period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments

18.1 Determination criteria of joint control and significant influence

Control is achieved when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those polices. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effects of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible have been considered.

18.2 Determination of initial investment costs

For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of owners' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the aggregate of cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is determined in accordance with the shares of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, with the aggregate face value of the shares issued accounted for as equity, and the difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions and ultimately constitute a business combination involving entities under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the initial investment cost of the long-term equity investment is the share of the carrying amount of owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between the initial investment cost and the sum of the carrying amount of long-term equity investments prior to the combination and the carrying amount of the additional consideration paid for shares acquired at the date of combination is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Other comprehensive income recognized for the equity investments prior to the combination that are accounted for using the equity method or investments in non-trading equity instruments designated as at FVTOCI is not subject to accounting treatment temporarily.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.2 Determination of initial investment costs (Continued)

For a long-term equity investment acquired through business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is deemed as the initial investment cost of long-term equity investments that was changed to be accounted for using cost method. If the equity previously held is accounted for using the equity method, the corresponding other comprehensive income is not subject to accounting treatment temporarily. If the equity investment previously held is classified as investments in non-trading equity instruments designated as at FVTOCI, the difference between the fair value and carrying amount, together with the accumulated changes in fair value previously included in other comprehensive income are transferred to retained earnings.

The intermediary fees incurred by the absorbing party or acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other related administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments* and the additional investment cost.

18.3 Subsequent measurement and recognition of profit or loss

18.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.3 Subsequent measurement and recognition of profit or loss (Continued)

18.3.2 Long-term equity investments accounted for using the equity method

Investments in associates and joint ventures are accounted for using the equity method, except for investments in associates and joint ventures that are classified in whole or in part as held for sale. An associate is an entity over which the Group has significant influence; and a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; the share of changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve, and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Company, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Group's transactions with its associates and joint ventures where assets contributed or sold do not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with the investee which represent impairment losses on the transferred assets are not eliminated. Where the assets contributed by the Group constitute a business, and the investor receives long-term equity investment without the acquisition of controlling rights, the fair value of the investment business should be considered as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the carrying amount of the investment business will be entirely included in profit or loss for the period. Where the assets sold by the Group constitute a business, the difference between the consideration obtained and the carrying amount of the business will be entirely included in profit or loss for the period. The assets purchased by the Group from the associates and joint ventures that constitute a business will be dealt with on the basis of *Accounting Standards for Business Enterprises No. 20 – Business Combinations* and be entirely accounted for as trading profits or losses.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.3 Subsequent measurement and recognition of profit or loss (Continued)

18.3.2 Long-term equity investments accounted for using the equity method (Continued)

The Group recognizes its share of net losses of the investee to the extent that the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. In addition, if the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

18.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognized using the equity method is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognized due to changes in other owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognized using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee, is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.4 Disposal of long-term equity investments (Continued)

Where the Group loses control over the investee due to disposal of part of equity investment, during preparing separate financial statement, remaining interest after disposal which can make joint control or significant influence over the investee is accounted for using the equity method, and adjusted as if it is accounted for using the equity method since the acquisition date. If remaining interest after disposal cannot make joint control or significant influence over the investee, it is accounted for in accordance with the standards for the recognition and measurement of financial instruments, and the difference between the fair value on the date of losing control and the carrying amount is recognized in profit or loss for the period. Other comprehensive income previously recognized using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period. If remaining interest after disposal is accounted for using the equity method, other comprehensive income and other owners' equity are transferred on a pro rata basis. If remaining interest after disposal is accounted for in accordance with the standards for the recognition and measurement of financial instruments, other comprehensive income and other owners' equity are transferred in their entirety.

Where the Group loses joint control or significant influence over the investee due to disposal of part of equity investment, remaining interest after disposal is accounted for in accordance with the standards for the recognition and measurement of financial instruments, and the difference between fair value on date of losing joint control or significant influence and carrying amount is recognized in profit or loss for the period. Other comprehensive income previously recognized using the equity method is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities when stopping using the equity method, and owners' equity recognized due to changes in other owners' equity (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period in its entirety when stopping using the equity method.

The Group loses control over the subsidiaries through step-by-step transactions of disposal of its equity investment in the subsidiaries. Where such transactions are a "package deal", they are accounted for as a transaction of disposal of subsidiary to lose control. The difference between the proceeds from each disposal before losing control and the carrying amount of long-term equity investment corresponding to the disposed investment is first recognized as other comprehensive income and then transferred to profit or loss for the period in which the control is lost.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Investment properties

Investment property is property held to earn rents or for capital appreciation or both. It includes car parking spaces that are leased out and buildings.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

The Group adopts the cost model for the subsequent measurement of investment properties. Investment properties are depreciated over their useful lives using the straight-line method. The depreciation method, depreciation life, estimated residual value rate and annual depreciation rate of each category of investment properties are as follows:

Category	Depreciation method	Depreciation life (year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Car parking spaces	Straight-line method	30	5.00	3.17
Buildings	Straight-line method	20	5.00	4.75

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

20. Fixed assets

20.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rents to others, or for administrative purposes, and have useful lives of over 1 accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Fixed assets (Continued)

20.2 Depreciation methods

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation method, depreciation life, estimated residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Depreciation life (year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line	20-30	5.00	3.17-4.75
Traffic equipment	Straight-line	5-11	0.00-10.00	8.18-20.00
Machinery and equipment	Straight-line	5-20	4.00-5.00	4.75-19.20
Motor vehicles	Straight-line	5-6	5.00	15.83-19.00
Office and other equipment	Straight-line	3-5	0.00-5.00	19.00-33.33

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

20.3 Other particulars

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the depreciation life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in accounting estimates.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Construction in progress

Construction in progress is measured at its actual construction expenditures, including various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use. The criteria and point in time for carrying forward of each category of construction in progress to fixed assets are as follows:

Category	Criteria for carrying forward to fixed assets	Point in time for carrying forward to fixed assets
Highway electromechanical engineering	When it is ready for intended use	When it is handed over and accepted as qualified
Highway civil construction engineering	When it is ready for intended use	When it is handed over and accepted as qualified
Highway subgrade, pavement, and bridge-culvert engineering	When it is ready for intended use	When it is handed over and accepted as qualified
Others	When it is ready for intended use	When it is handed over and accepted as qualified

22. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than three months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income from the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures

Intangible assets include franchise rights (toll road and kitchen waste disposal project), billboard land use right, patent use right, land use right, contract rights, office software and others, etc.

An intangible asset is measured initially at cost. Subsequent expenditures incurred for the intangible asset are included in the cost of the intangible asset when it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

If the fees charged by the Group to those who receive public products and services during the period of operation of PPP project such as kitchen waste disposal and toll road do not constitute an unconditional right to receive cash, the consideration amount of the relevant PPP project assets or the amount of construction income recognized shall be recognized as intangible asset of franchise rights when the PPP project assets are ready for intended use.

On January 1, 1997, the franchise rights for toll roads contributed as capital investment by state-owned shareholders to the Company were recorded at the appraised value assessed by asset appraisal institutions and confirmed by the State Administration of State-owned Assets under State-Owned Assets Appraisal Document No. 911 (1996). The land use rights for the West Section of Airport-Heao Expressway were contributed by the Company's promoters as their investment during corporate restructuring, based on the reassessed value as of June 30, 1996, confirmed by the State Administration of State-owned Assets. The land use rights for the East Section of Airport-Heao Expressway and Meiguan Expressway were originally contributed by one of the Company's promoters, Xintongchan Industrial Development (Shenzhen) Co., Ltd. ("Xintongchan Company"), as its investment in the Company's subsidiaries – Shenzhen Airport-Heao Expressway (Eastern Section) Company Limited ("Airport-Heao Eastern Company") and Shenzhen Meiguan Expressway Company Limited ("Meiguan Company") – and were valued at the contractually agreed price determined by both cooperating parties.

(1) Franchise rights

(a) Toll road

Franchise rights associated with the toll roads refer to the rights granted by the respective grantors, which entitle the Group to receive the toll fees from users and the land use right obtained in conjunction with the franchise contracts.

When toll roads are ready for their intended use, amortization of franchise rights is calculated to write off their costs on the traffic volume method. As to amortization of franchise rights, the amortization amount per standard traffic volume ("unit amortization amount") is calculated based on total standard traffic volume predicted during the operating period of each toll road and the cost/carrying amount of the franchise rights associated with toll roads, then the franchise rights are amortized based on the actual traffic volume during each accounting period and the unit amortization amount.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures (Continued)

(1) Franchise rights (Continued)

(a) Toll road (Continued)

Each period, the Group performs internal review on the total projected traffic volume during the operating period. The Group also appoints an independent professional traffic consultant to perform independent professional traffic studies when large differences between actual traffic volume and projected traffic volume exist, or every 3 to 5 years and then adjust the unit amortization amount according to the revised total projected traffic volume, to ensure that the respective franchise rights would be fully amortized in the operating period.

The unit amortization amounts of toll roads are set out as follows:

Item	Unit amortization amount (RMB)
Meiguan Expressway	0.53
Shenzhen Airport-Heao Expressway (Western Section)	0.35
Shenzhen Airport-Heao Expressway (Eastern Section)	1.73
Qinglian Expressway	49.38
Shuiguan Expressway	5.66
Changsha Ring Road (North-western Section) ("Changsha Ring Road")	2.91
Coastal Expressway (Shenzhen Section)	9.32
Outer Ring Expressway Phase I	4.20
Outer Ring Expressway Phase II	1.11
Longda Expressway	0.25

(b) Kitchen waste disposal project

Franchise rights related to kitchen waste disposal are amortized on a straight-line basis during the period of franchise operation.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures (Continued)

(2) Other intangible assets

The amortization method, useful life and residual value rate of other intangible assets are as follows:

Category	Amortization method	Useful life (year)	Basis to determine the useful life	Residual value rate
Billboard land use right	Straight-line	5	Year(s) as agreed in the contract	–
Patent use right	Straight-line	5-10	Year(s) as agreed in the contract/Useful life as stipulated by law	–
Land use rights	Straight-line	20-50	Useful life as stipulated in the land use certificate	–
Contract rights	Straight-line	10	Year(s) as agreed in the contract	–
Software and others	Straight-line	2-10	Expected updated cycle	–

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

For details of the impairment test of intangible assets, see Note III, 24 "Impairment of long-term assets".

23.2 Scope of R&D expenditures and accounting treatment

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period:

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
(2) The Group has the intention to complete the intangible asset and use or sell it;
(3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. Costs of intangible assets generated from internal development activities only include total expenditures incurred from the point of time that qualify for capitalization till the intangible asset is ready for intended use. Expenditures which have been recognized as expenses into profit or loss before the same intangible asset that qualify for capitalization during the development course will not be adjusted any longer.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

23.2 Scope of R&D expenditures and accounting treatment (Continued)

The scope of R&D expenditures includes wages, salaries, and welfare expenses of personnel directly engaged in R&D activities, materials, fuel, and power expenses directly consumed in R&D activities, depreciation expenses for instruments and equipment used in R&D activities, rental and maintenance expenses for R&D sites, travel, transportation, and communication expenses required for research and experimental development, etc. Technical feasibility and economic viability studies are adopted as specific criteria for classifying the research and development phases.

24. Impairment of long-term assets

The Group reviews the long-term equity investments, investment properties measured using cost model, fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful life at each date of financial position statements to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life or not yet ready for use are tested for impairment every period no matter whether there is any indication the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related asset group(s), i.e., goodwill is reasonably allocated to the related asset group(s) or each of asset group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the asset group or sets of asset groups (including goodwill) is less than its carrying amount. The impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to such asset group or sets of asset groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once the impairment loss of such assets is recognized, it will not be reversed in any subsequent period.

25. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of over one year). Long-term prepaid expenses are averagely amortized over the expected benefit period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received or is expected to receive a consideration from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

27. Employee benefits

27.1 Accounting treatment of short-term employee benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when they actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

27.2 Accounting treatment of post-employment benefits

Post-employment benefits are all defined contribution plans.

During the accounting period in which employees provide services to the Group, the amount which should be paid according to defined contribution plans is recognized as liabilities, and included in profit or loss or related costs of assets.

27.3 Accounting treatment of termination welfare

The Group provides termination welfare to employees, employee benefits liabilities generated from termination welfare are recognized at the earlier of the following two dates, and recognized in profit or loss for the period: When the Group cannot withdraw provided termination welfare because of severing labor relationship or reduction of suggested amount; When the Group recognizes costs or expenses related to termination welfare payment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Employee benefits (Continued)

27.4 Accounting treatment of other long-term employee benefits

For other long-term employee benefit, where the definition of defined contribution plans is met, it is accounted for according to related requirements of defined contribution plans. Otherwise, net liabilities or net assets of such other long-term employee benefit are recognized and measured according to related requirements of defined benefit plans. At the end of the reporting period, cost of employee benefit generated from other long-term employee benefit comprises service cost, net interest of net liabilities or net assets of other long-term employee benefit and changes arising from re-measurement of net liabilities or net assets of other long-term employee benefit. Net value of these items is recognized in profit or loss or cost of related assets.

28. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency such as product quality assurance, onerous contract or restructuring, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the date of financial position statements, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. Each category of provisions is measured as below:

Item	Method for measurement
Cost of services in the future	Present value of expected cost of services in the future
Subsequent expenditure for kitchen waste disposal project	Present value of expected subsequent expenditure on the project
Product quality assurance deposits	Expected subsequent expenditure calculated based on historical warranty expenditure ratio
Pending litigation or arbitration	Expected compensation expenditure

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Preferred stock, perpetual bonds and other financial instruments

Other financial instruments including preferred stocks and perpetual bonds issued by the Group are measured as equity instruments when they satisfy all the following criteria:

(1) The financial instruments do not include cash or other financial assets delivered to other parties, or contractual obligations to exchange financial assets or liabilities with other parties under potential disadvantages;

(2) When the Company's own equity instrument is required to or available to be used for settlement of the financial instrument, it does not include the contractual obligations to settle the Company's own variable equity instruments if it is a non-derivative instrument; if it is a derivative instrument, the Group can only settle the instrument by exchanging certain amount of its own equity instruments with fixed amount of cash or other financial assets.

Except for other financial instruments that can be classified as equity instruments described above, other financial instruments issued by the Group are classified as financial liabilities.

For other financial instruments including preferred stocks and perpetual bonds classified as financial liabilities, interest expenses or dividend distributions are treated as borrowing costs, and the gains or losses arising from the re-purchase or redemption are recognized in profit or loss for the period. When the financial liability is measured at amortized cost, related transaction costs are included in initial measurement.

For other financial instruments including preferred stocks and perpetual bonds classified as equity instruments, interest expenses or dividend distributions are recorded as the profit distribution of the Group; the repurchase, cancellation etc. are accounted for as changes in equity, and related transaction costs are deducted from the equity.

30. Revenue

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business

The Group's revenue is mainly derived from toll roads and environmental protection.

The Group recognizes revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers distinct goods or services to a customer in the contract.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the performance obligation is satisfied during a period of time or at a point in time. It is a performance obligation satisfied during a period of time and the Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (1) the customer obtains and consumes economic benefits at the same time of the Group's performance; (2) the customer is able to control goods or services in progress during the Group's performance; (3) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

The Group adopts input method, i.e. the input by the Group for purpose of fulfilment of performance obligation to determine the appropriate progress of performance. Where the progress cannot be determined reasonably, the revenue is recognized based on the amount of cost that is expected to be compensated based on the cost already incurred, until the progress of performance is reasonably determined.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. In determining the transaction price, the Group should consider the effects of variable consideration, significant financing components in the contract, non-cash consideration and consideration payable to customers.

If there are two or more performance obligations included in the contract, at the contract inception, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Group shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each date of financial position statements, the Group re-estimates the amount of variable consideration which should be included in transaction price.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)

If the customer pays non-cash consideration, the Group determines the transaction price based on the fair value of the non-cash consideration. If the fair value of non-cash consideration cannot be reasonably estimated, the Group shall determine the transaction price indirectly by reference to the stand-alone selling price of the goods or services promised to transfer to the customer.

For sales that are affixed with terms of sales return, as the customer obtains control of related goods, the Group recognizes revenue based on the consideration (excluding expected refund amounts due to sales returns) that the Group is expected to charge due to the transfer of goods to the customer, and recognizes liabilities based on the expected refund amounts due to sales returns. Meanwhile, the carrying amount at the time of transfer of goods expected to be returned, subsequent to deduction of expected costs from collecting the goods (including the decrease in value of the returned goods), is recognized as an asset and carried forward to cost at the carrying amount at which goods are transferred, net of the cost of asset.

For sales with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies*.

In case of the existence of a significant financing component in the contract, the Group shall determine the transaction price on the assumption that the customer has paid the amount payable by cash when obtaining the control over the goods or services. Differences between transaction price and contract consideration are amortized using effective interest method during the contract life. At contract inception, if the period between when the Group transfers promised goods or services to a customer and when the customer pays for the goods or services will be one year or less, the Group would not consider the significant component in the contract.

The Group assesses whether it controls specified goods or services before the goods or services are transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified goods or services before the goods or services are transferred to a customer, the Group is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined in accordance with the established commission amount or percentage, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)

Where the Group receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Group's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Group recognizes the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Group expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Group reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

The specific revenue recognition criteria of the Group are as follows:

(1) The Group's revenue from operation of toll roads is recognized when the related services have been provided and economic benefits associated with the services are likely to flow into the Group.

(2) The Group's revenue from sales of wind turbine equipment, kitchen waste disposal equipment and other commodities are recognized when the customer obtains the control over the goods.

(3) For engineering construction services provided, the Group determines the performance progress and recognizes revenue according to the proportion of the cost incurred to the estimated total cost.

(4) The Group's revenue from real estate sales is recognized when (1) the real estate is completed and accepted as qualified, (2) the real estate meets the delivery conditions as agreed in the sales contract, and (3) the customer obtains the control over relevant goods or services.

(5) The Group's revenue from entrusted highway operation and management and maintenance services is recognized on a straight-line basis over the contract period.

(6) The Group has signed cooperation agreements with government departments to participate in the construction of toll roads and kitchen waste disposal projects. During the construction period, the construction service provided by the Group shall be regarded as the performance obligations performed within a certain period and the construction revenue shall be recognized by the completion percentage methods in accordance with the proportion of the incurred costs to estimated total costs. During the commercial operating period, the revenue from kitchen waste disposal shall be recognized according to the actual amount of waste disposal and the unit price agreed in the waste disposal agreement. Revenue from sales of electric power shall be recognized according to the on-grid electric quantity and the unit price agreed in the electricity purchase and sale contract when the electric power has been produced and connected to the grid. Revenue from sales of grease shall be recognized according to the actual grease sales volume and the unit price agreed in the agreement when the customer obtains the control over relevant goods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.2 Similar operations under different business models which involve different revenue recognition and measurement methods

The Group has no similar operations under different business models which involve different revenue recognition and measurement methods.

31. Contract costs

31.1 Costs of obtaining contracts

For the incremental cost of obtaining the contract (cost that will not occur if the contract is not obtained) that is expected to be recoverable, it is recognized as an asset, and shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period. If the amortization period of such asset is less than one year, it is recognized in profit or loss for the period when incurred. Other expenses incurred for obtaining the contract are included in profit or loss for the period when incurred, except for those explicitly assumed by the customer.

31.2 Costs to fulfill contracts

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

31.3 Impairment losses of assets related to contract costs

In determining the impairment losses of assets related to contract costs, the Group first determines the impairment losses of other assets related to contracts recognized in accordance with other ASBEs; then, for assets related to contract costs, if the carrying amount of the assets is higher than the difference between: (1) the remaining consideration that the Group expects to obtain for the transfer of the goods or services related to the asset; and (2) the estimated costs to be incurred for the transfer of the related goods or services, any excess is provided for impairment and recognized as impairment losses of assets.

After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and recognized in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Categories of government grants and accounting treatment methods

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognized immediately in profit or loss for the period.

32.1 Determination basis and accounting treatment of government grant related to assets

Government grants of the Group mainly include equipment subsidies, which are government grants related to assets.

A government grant related to an asset is recognized as deferred revenue and will be included in profit or loss over the useful life of the related asset with the straight-line method.

32.2 Determination basis and accounting treatment of government grant related to income

Government grants of the Group include tax refunds and government incentive funds, which are government grants related to income.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred revenue, and recognized in profit or loss over the periods in which the related costs are recognized; if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

For repayment of a government grant already recognized, if there is related deferred revenue, the repayment is offset against the gross carrying amount of the deferred revenue, and any excess is recognized in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

The Group assesses whether a contract is or contains a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

33.1 The Group as a lessee

33.1.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Group will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

33.1.2 Right-of-use assets

Except for short-term leases and leases of low value assets, at the commencement date of the lease, the Group recognizes a right-of-use asset. The Group's right-of-use assets mainly consist of buildings.

The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs incurred to produce inventories.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of *Accounting Standards for Business Enterprises No. 4 – Fixed Assets*. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Group is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

The Group applies *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets*, to determine whether the right-of-use assets are impaired and to account for any impairment loss identified.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

33.1.3 Lease liabilities

Except for short-term leases and leases of low value assets, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate, and recognizes such expenses in profit or loss or cost of related assets.

After the commencement date of the lease, the Group re-measures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Group will recognize the difference in profit or loss for the period:

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate. If the change in lease payment comes from the change in floating interest rate, the revised discount rate shall be used to calculate the present value.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

33.1.4 Determination basis and accounting treatment for short-term leases and leases of low value assets under simplified approach as a lessee

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets, is a lease that the single underlying asset, when is new, is no more than RMB50,000.00. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

33.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the lease modification expanded the scope of the lease by adding the right-of-use of one or more lease assets; and
- the increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and re-measures lease liabilities based on the changed lease payments and the present value calculated by the revised discount rate.

If the lease modification results in a reduction in the lease scope or lease term, the carrying amount of the right-of-use assets will be reduced, and the gains or losses relevant to the lease partially of fully terminated will be included in profit or loss for the period; for other lease modifications resulting in the remeasurement of lease liabilities, the carrying amount of right-of-use assets is adjusted accordingly.

33.1.6 Sale and leaseback transactions

The Group as seller-lessee

The Group applies the requirements of the ASBE No. 14 Revenue to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset does not constitute a sale, the Group shall continue to recognize the transferred assets and recognize a financial liability equal to the transfer proceeds in accordance with the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*. If the transfer of an asset is a sale, the Group shall measure the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use, and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor

33.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Revenue Standard on apportionment of transaction prices, based on the respective stand-alone prices of the lease components and the non-lease components.

33.2.2 Classification criteria and accounting treatment of leases as a lessor

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

33.2.2.1 The Group as a lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the period on the same basis as recognition of rental income over the lease term.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when incurred.

33.2.2.2 The Group as a lessor under finance leases

At the commencement date, the Group recognizes a finance lease receivable at the amount equal to the net investment in the lease with finance lease assets derecognized. The net investment in the lease is the sum of any unguaranteed residual value and lease receipts from the commencement date, discounted at the interest rate implicit in the lease.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor (Continued)

33.2.2 Classification criteria and accounting treatment of leases as a lessor (Continued)

33.2.2.2 The Group as a lessor under finance leases (Continued)

The receipts of the lease refer to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- fixed payments (including in-substance fixed payments) paid by the lessee, less any lease incentives;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option, provided that it is reasonably determined that the lessee will exercise the option;
- the amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects the lessee's exercise of the option to terminate the lease;
- the residual value of the guarantee provided by the lessee, the party concerned with the lessee and the independent third party with the financial ability to perform the guarantee obligation.

The variable lease receipts that are not included in the measurement of net lease investment are recognized in profit or loss when incurred.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate.

33.2.3 Subleases

As the lessor of a sublease, the Group accounts for the original lease contract and the sublease contract as two separate contracts. The Group classifies the subleases based on the right-of-use assets generating from the original lease rather than the underlying assets of the original lease.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor (Continued)

33.2.4 Lease modifications

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any advances from customers or lease receivable relating to the original lease as part of the lease receivable for the new lease.

The Group will account for the lease modification to a finance lease as an individual lease, when it satisfies all the following criteria:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- The increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Group shall account for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group shall account for the lease modification as a new lease from the effective date of the modification, and measure the carrying amount of the underlying asset as the net investment in the lease before the effective date of the lease modification.

- If the lease would have been classified as a finance lease had the modification been in effect at the inception date, the Group shall apply the requirements of contract modification and renegotiation under the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*.

33.2.5 Sale and leaseback transactions

The Group as buyer-lessor

If the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Group does not recognize the transferred asset but a financial asset equal to the transfer proceeds in amount, and accounts for such financial asset under the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*. If the transfer of an asset constitutes a sale, the Group accounts for the purchase of the asset in accordance with other applicable Accounting Standards for Business Enterprises and accounts for the lease of the asset.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

34.1 Current income tax

At the date of financial position statements, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

34.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized and they are expected to be reversed in the foreseeable future.

At the date of financial position statements, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized, or the liability is settled.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Deferred tax assets/deferred tax liabilities (Continued)

34.2 Deferred tax assets and deferred tax liabilities (Continued)

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity, and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the date of financial position statements, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

34.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

35. Other significant accounting policies and accounting estimates

Segment information

The Group identifies operating segments based on the internal organization structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenue and incur expenses from its ordinary activities; (2) the component's operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance; (3) the information on the financial position, operating results and cash flows of the segment is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of accounting policies as set out in Note III, the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainties of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates. The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

Key assumptions and uncertainties in accounting estimates

The followings are the key assumptions and uncertainties in accounting estimates at the date of financial position statements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods:

(1) Amortization of franchise rights associated with toll roads

As stated in Note III, 23.1(1)(a), amortization of franchise rights associated with toll roads is provided under the traffic volume method. Appropriate adjustments to the amortization of franchise rights associated with toll roads will be made when there is a large difference between the total projected traffic volume and the actual results.

The management of the Company performs periodic assessment of the total projected traffic volume. The Group will appoint an independent professional traffic consultant to perform independent professional traffic studies in order to make an appropriate adjustment if there is a large and continuous difference between the projected and actual traffic volume.

(2) Impairment of franchise rights

In performing impairment testing for franchise rights associated with kitchen waste disposal, the management of the Group calculates the present value of future cash flows to determine the recoverable amount. The assumptions of calculating the franchise rights associated with kitchen waste disposal project include the per unit waste disposal fee, production/processing capacity, operation duration, operating expenses and costs, and necessary return rate.

Under the above assumptions, the Group's management considers that the recoverable amount of the franchise rights is higher than the carrying amount, and therefore, provision for impairment of franchise rights is not necessary during the current period. The Group is going to review the relevant items closely and continually. Adjustments will be made during the corresponding period once there is any indication for adjustment of the accounting estimates.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates (Continued)

Key assumptions and uncertainties in accounting estimates (Continued)

(3) Measurement of ECL on receivables

The Group classifies receivables into several portfolios based on their credit risk characteristics. On the basis of these portfolios, the Group calculates the ECL and recognizes bad debt provision by considering the exposure at default and the ECL rate. The management makes comprehensive judgments and estimates primarily based on customers' credit status, contract performance capability, and their current operating conditions. The Group regularly monitors and reviews the assumptions related to the calculation of ECL. When considering forward-looking information, the indicators adopted by the Group include risks of economic downturn, external market conditions, technological environment, changes in customer circumstances, etc..

If the actual credit losses differ from the original estimates, the difference will affect the carrying amount of the Group's financial assets in future periods.

37. Changes in Major accounting policies

37.1 Content and reasons for changes in accounting policies

On December 5, 2025, the Ministry of Finance issued Interpretation No. 19 to the Enterprise Accounting Standards (Cai Hui [2025] No. 32, hereinafter referred to as "Interpretation 19"), which provides specifications and clarifications regarding the following: the accounting treatment for compensatory assets in business combinations not under common control; the accounting treatment for relevant capital reserves when disposing of subsidiaries previously acquired through business combinations under common control; the derecognition of financial liabilities settled via electronic payment systems; the assessment of contractual cash flow characteristics of financial assets and related disclosures; and the disclosure requirements for equity instruments designated at fair value with changes recognized in other comprehensive income. This interpretation is effective from January 1, 2026.

On June 4, 2026, the Ministry of Finance issued Interpretation No. 20 to the Enterprise Accounting Standards (Cai Hui [2026] No. 7, hereinafter referred to as "Interpretation 20"), which provides specifications and clarifications regarding the following: the assessment of contractual cash flow characteristics of financial assets; and the accounting treatment and related disclosures when a currency lacks convertibility. This interpretation is effective from the date of issuance.

The adoption of the above-mentioned provisions has not had any impact on the Group's financial position and operating results.

IV. TAXATION

1. Main categories and rates of taxes:

Category	Tax base	Tax rate
Value added tax ("VAT")	Income from sale of goods and rendering of services (Note 1)	13%
	Income from real estate development	9%
	Taxable advertisement income	6%
	Income from entrusted management service and other businesses	6%
	Income from expressway toll road business	3% (Simple Method)
	Income from leases of tangible movable property	13%
	Income from sale and lease back business of tangible movable property	6%
	Construction income	9%
	Income from sale of electricity	13%
	Operating income from waste disposal (Note 1)	6%
	Property operating lease income	5% (Simple Method)
City maintenance and construction tax	Amount of commodity turnover tax payable	7%, 5%
Educational surcharge	Amount of commodity turnover tax payable	3%
Local educational surcharge	Amount of commodity turnover tax payable	2%
Construction fee for culture undertakings	Amount of advertising turnover	3%
Enterprise income tax ("EIT")	Taxable income	Except subsidiaries in the following table, 25%
Land appreciation tax	Gain on the transfer of real estate	Four-level progressive rates, 30%-60%

Note 1: According to the provisions of the *Announcement of the State Taxation Administration on Clarifying Several Issues Concerning the Administration of Collection of Value-Added Tax on the Dealing of Used Vehicles and Other Items* (Announcement No. 9 [2020] of the State Taxation Administration), where no goods are generated after the professional disposal by means of landfill or incineration, among others, it shall be deemed that the entrusted party provides the "professional technical services" in the "Modern Services", and the VAT rate of 6% shall apply to the disposal expenses it collects; where goods are generated after the professional disposal and the goods belong to the entrusting party, it shall be deemed that the entrusted party provides the "processing services", and the VAT rate of 13% shall apply to the disposal expenses it collects; where goods are generated after the professional disposal and the goods belong to the entrusted party, it shall be deemed that the entrusted party provides the "professional technical services", and the VAT rate of 6% shall apply to the disposal expenses it collects; where the entrusted party sells the goods, it is subject to the VAT rate for goods.

IV. TAXATION (CONTINUED)

1. Main categories and rates of taxes: (Continued)

The entities with different EIT rates are disclosed as follows:

Name of taxpayer	Income tax rate
Shenzhen Investment Holdings Bay Area Development Co., Ltd. ("Bay Area Development") (Note 2)	16.50%
Wilberforce International Ltd. ("Wilberforce") (Note 2)	
Jiehao (British Virgin Islands) Co., Ltd. ("Jiehao") (Note 2)	
Shenzhen Investment Holdings Bay Area Management Company Limited ("Bay Area Management")	
Shenzhen Investment Holdings Bay Area Service Company Limited ("Bay Area Service")	
Shenzhen Investment Holdings Bay Area Financing Company Limited ("Bay Area Financing")	
Hopewell Guangzhu Expressway Development Co., Ltd. ("Hopewell Guangzhu Expressway")	
Guanjia (British Virgin Islands) Co., Ltd. ("Guanjia") (Note 2)	
Hopewell China Development (Superhighway) Limited ("Hopewell China Development")	

Note 2: The company was incorporated outside Hong Kong and registered in Hong Kong as a non-Hong Kong company, subject to Hong Kong income tax at a rate of 16.5%.

2. Tax preference

(a) VAT refund upon payment for products and labor services involving the comprehensive utilization of resources

According to the notice issued by the Ministry of Finance and the State Taxation Administration titled "Announcement of the Ministry of Finance and the State Administration of Taxation on Improving the Value-Added Tax Policy for Resource Comprehensive Utilization" (Ministry of Finance and State Taxation Administration Announcement No. 40, 2021), general taxpayers who sell self-produced resource comprehensive utilization products and provide resource comprehensive utilization services may enjoy the policy of immediate collection and immediate refund of value-added tax. The specific names of the resources for comprehensive utilization, the names of the products and services, technical standards and related conditions, and the refund ratio shall be implemented in accordance with the relevant provisions of the "Catalogue of Value-Added Tax Preferential Policies for Resource Comprehensive Utilization Products and Services (2022 Edition)" (the "Catalogue"). Shenzhen Lisai Environmental Protection Technology Co., Ltd. ("Lisai Environmental Protection"), Shaoyang Shengao Environment Technology Co., Ltd. ("Shaoyang Shengao Environmental"), Inner Mongolia Chenghuan Bioland Renewable Resource Co., Ltd. ("Inner Mongolia Chenghuan Bioland"), and Guiyang Beier Bioland Environmental Technologies Co., Ltd. ("Guiyang Beier Bioland") meet the categories 4.1 and 5.1 in the Catalogue. Among them, Lise Environmental enjoys the aforementioned tax benefits from the sales revenue of bio-oil generated from kitchen waste processing, sales revenue of biomass crushed materials, revenue from biogas power generation, garbage processing subsidy income, and sludge disposal service income. Shaoyang Shengao Environment enjoys the aforementioned tax benefits from the sales revenue of bio-oil generated from kitchen waste processing, sales revenue of biomass crushed materials, revenue from biogas power generation, and garbage processing subsidy income. Inner Mongolia Chenghuan Bioland enjoys the aforementioned tax benefits from the sales revenue of bio-oil generated from kitchen waste processing and garbage processing subsidy income. Guiyang Beier Bioland enjoys the aforementioned tax benefits from the sales revenue of bio-oil generated from kitchen waste processing, revenue from biogas power generation, and garbage processing subsidy income.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(b) VAT exemption for elderly care services and child care services provided by elderly care institutions and child care institutions

According to the announcement issued by the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce, and the National Health Commission titled "Announcement on Continuing the Implementation of Tax and Fee Preferential Policies for Community-based Elderly Care, Childcare, and Home Service Industries"; Ministry of Finance, State Taxation Administration, National Development and Reform Commission, Ministry of Civil Affairs, Ministry of Commerce, and National Health Commission Announcement No. 7, 2026), income derived from providing community-based elderly care, childcare, and home service shall be exempt from value-added tax. Shenzhen Expressway Shengao Lekang Health Service (Shenzhen) Co., Ltd. ("Shengao Lekang") provides community elderly care services and thus enjoys the above preferential policies. Shenzhen Guangming Fengrunjiu Health Service Co., Ltd. ("Guangming Fengrunjiu") provides community elderly care services and child care services and thus enjoys the above preferential policies.

(c) Preferential policies on three-year exemption and three-year half reduction of enterprise income tax

According to the provisions of the Enterprise Income Tax Law of the People's Republic of China, for income derived from the investment and operation of public infrastructure projects supported by the state, enterprises are exempt from enterprise income tax for the first three years, starting from the tax year in which the first production and business income is obtained from the project, and the enterprise income tax will be levied by half from the fourth to sixth year. Shenzhen Expressway Shengneng Technology Co., Ltd. ("Shengneng Technology") engage in operation projects that meet the tax preferences policies for public infrastructure projects supported by the state.

Shengneng Technology started grid-connected power generation in July 2024 and obtained income from production and operation for the first time, the enterprise income tax is exempted from 2024 to 2026 and levied by half from 2027 to 2029.

Handan Bioland Renewable Resources Co., Ltd. ("Handan Bioland"), Zhuji Bioland Renewable Resources Co., Ltd. ("Zhuji Bioland"), Shangrao Bioland Environmental Protection Technology Co., Ltd. ("Shangrao Bioland"), Xinyu Bioland Environmental Protection Technology Co., Ltd. ("Xinyu Bioland"), Fuzhou Bioland Environmental Protection Technology Co., Ltd. ("Fuzhou Bioland") and Sichuan Lansheng Environmental Protection Technology Co., Ltd. ("Sichuan Lansheng") engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2021 to 2023 and levied by half from 2024 to 2026.

Guilin Bioland Renewable Energy Co., Ltd. ("Guilin Bioland") and Inner Mongolia Chenghuan Bioland engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2022 to 2024 and levied by half from 2025 to 2027.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(c) Preferential policies on three-year exemption and three-year half reduction of enterprise income tax (Continued)

Shaoyang Shengao Environmental, Chuzhou Bioland Environmental Protection Technology Co., Ltd. ("Chuzhou Bioland") and Beihai Zhonglan Environment Technology Co., Ltd. ("Beihai Zhonglan") engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2023 to 2025 and levied by half from 2026 to 2028.

Shenzhen Guangming Shenzhen Expressway Environmental Technology Co., Ltd. Company Limited ("Guangming Environment Technology") is engaged in business projects that qualify for the enterprise income tax preferential policies for projects related to domestic waste classification and harmless treatment. The company is exempt from paying enterprise income tax from 2024 to 2026, and is entitled to a 50% reduction in enterprise income tax from 2027 to 2029.

(d) Preferential policies on enterprise income tax for the large-scale development of western China

According to the provisions of the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (Announcement No. 23 [2020] of the Ministry of Finance), the enterprise income tax is levied at a reduced rate of 15% for enterprises in encouraging industries located in Western China from 1 January 2021 to 31 December 2030. Mulei County Qianxin Energy Development Co., Ltd. ("Qianxin Company"), Mulei Qianzhi Energy Development Co., Ltd. ("Qianzhi Company"), Mulei Qianhui Energy Development Co., Ltd. ("Qianhui Company"), Ningxia Zhongwei Xintang New Energy Co., Ltd. ("Ningxia Zhongwei"), Guangxi Bioland Renewable Energy Co., Ltd. ("Guangxi Bioland"), Guilin Bioland, Sichuan Lansheng, Beihai Zhonglan, Inner Mongolia Chenghuan Bioland and Guiyang Beier Bioland are enterprises in encouraging industries located in the western region and enjoy the tax preference of calculating and paying enterprise income tax at the reduced tax rate of 15%.

(e) Preferential policies on enterprise income tax for elderly care services and child care services provided by elderly care institutions and child care institutions

According to the Announcement on the Continued Implementation of Tax and Fee Preferential Policies for Community-based Elderly Care, Childcare, and Home Service Industries (Announcement No. 7, 2026, issued by the Ministry of Finance, State Taxation Administration, National Development and Reform Commission, Ministry of Civil Affairs, Ministry of Commerce, and National Health Commission), income obtained from providing community-based elderly care, childcare, and home service shall be counted at 90% of the total income when calculating the taxable income. Shengao Lekang provides community-based elderly care services and enjoys the aforementioned tax preference. Guangming Fengrunjiu provides community-based elderly care and childcare services and also enjoys the aforementioned tax preference.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(f) Preferential policies on enterprise income tax for high-tech enterprises

Shenzhen Expressway Group Digital Technology Co., Ltd. ("Expressway Digital Technology") obtained the High-tech Enterprise Certificate (Certificate No. GR202444207020) on 26 December 2024, which is valid for three years. According to the Enterprise Income Tax Law of the People's Republic of China and related regulations, Expressway Digital Technology pays enterprise income tax at a tax rate of 15% for the years 2024, 2025 and 2026.

Lisai Environmental Protection obtained the High-tech Enterprise Certificate on December 25, 2025 (Certificate No.: GR202544206341), with a validity period of three years. In accordance with the Enterprise Income Tax Law of the People's Republic of China and relevant regulations, Lisai Environmental Protection is subject to an enterprise income tax rate of 15% for the years 2025, 2026, and 2027.

(g) Preferential policies on enterprise income tax for small and micro enterprises

According to the provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementation of Income Tax Preferential Policies for Small and Micro Enterprises* (Announcement No. 13 [2022] of the Ministry of Finance and the State Taxation Administration) and the *Announcement on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), the annual taxable income of small and micro enterprises that is more than RMB1 million but less than RMB3 million is included in taxable income at a reduced rate of 25% and is subject to the enterprise income tax rate of 20%. This preferential policy will be implemented from January 1, 2022 and will continue until December 31, 2027.

According to the provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on Income Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households* (Announcement No. 6 [2023] of the Ministry of Finance and the State Taxation Administration) and the *Announcement on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 (2023) of the Ministry of Finance and the State Taxation Administration), the annual taxable income of small and micro enterprises that is less than RMB1 million is included in taxable income at a reduced rate of 25% and is subject to the enterprise income tax rate of 20% from 1 January 2023 to 31 December 2027.

Kunshan Beier Bioland Environmental Protection Technology Co., Ltd. ("Kunshan Environmental Protection"), Nanjing Shenlu Environmental Protection Technology Co., Ltd. ("Shenlu Environmental Protection"), Ya'an Shenlan Environmental Protection Technology Co., Ltd. ("Ya'an Lande"), Dezhou Zhonghe Environmental Protection Equipment Manufacturing Co., Ltd. ("Dezhou Zhonghe"), Longyou Bioland Environmental Technology Co., Ltd. ("Longyou Bioland"), Shenzhen Expressway Bioland Environmental Protection Technology Research, Design Institute Co., Ltd. ("Bioland Environmental Protection Technology"),Shenzhen Expressway Property Management Company Limited ("Property Management Company"), Guizhou Yefengrui Property Development Co., Ltd., Shengao Lekang, Guangming Fengrunjiu, Shenzhen Expressway Gao Le Yi Healthy Aging Co., Ltd., Shenzhen Expressway Private Equity Industrial Investment Fund Management Co., Ltd., and Shenzhen Expressway Business Co., Ltd. are also small and micro-profit enterprises and enjoy the above preferential policies.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(h) Preferential policies on reduction and exemption of "Six Taxes and Two Fees" for micro and small enterprises

According to the provisions of the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households are subject to a 50% reduction in the payment of resource tax (excluding water resource tax), city maintenance and construction tax, property tax, urban land-use tax, stamp duty (excluding stamp duty on securities transactions), cultivated land occupancy tax, educational surcharges and local educational surcharges.

Shengneng Technology, Kunshan Environmental Protection, Shenlu Environmental Protection, Longyou Bioland, Ya'an Lande, Dezhou Zhonghe, Bioland Environmental Protection Technology, Property Management Company, Guizhou Yefengrui Property Development Co., Ltd., Shengao Lekang, Guangming Fengrunjiu, Shenzhen Expressway Gao Le Yi Healthy Aging Co., Ltd., Shenzhen Expressway Private Equity Industrial Investment Fund Management Co., Ltd., and Shenzhen Expressway Business Co., Ltd. are small and micro-profit enterprises and thus enjoy the above preferential policies.

(i) Preferential policies on exemption from property tax for three years

According to Article 9 of the Measures for the Implementation of Property Tax in Shenzhen Special Economic Zone (Shen Fu [1987] No. 164), taxpayers are exempt from property tax on newly-built houses (excluding those built in violation of regulations) which are newly constructed or purchased by them for three years from the month following the one in which such houses are constructed or purchased.

The Company, Shenzhen Guangshen Coastal Expressway Investment Company Limited ("Coastal Expressway"), Shenzhen Outer Ring Expressway Investment Company Limited ("Outer Ring Company") and Meiguan Company enjoy the above preferential policies.

According to the Announcement on the Continued Implementation of Tax and Fee Preferential Policies for the Community-based Elderly Care, Childcare, and Home Services Industries (Announcement No. 7 of 2026 by the Ministry of Finance, State Taxation Administration, National Development and Reform Commission, Ministry of Civil Affairs, Ministry of Commerce, and National Health Commission), properties and lands owned by institutions providing community-based elderly care, childcare, and home services, or obtained through leasing, free use, or other means and used for such services, are exempt from property tax and urban land use tax. Shengao Lekang provides community-based elderly care services and enjoys the preferential policies. Guangming Fengrunjiu provides community-based elderly care and childcare services and also enjoys the preferential policies.

IV. TAXATION (CONTINUED)

3. Others

According to the *Reply from the State Taxation Administration Concerning the Recognition as Resident Enterprises of Related Overseas Enterprises of Shenzhen Expressway Corporation Limited* (Guo Shui Han [2010] No. 651) issued by the State Taxation Administration on 30 December 2010, Mei Wah (Hong Kong) Company ("Mei Wah Company"), Maxprofit Company and Jade Emperor Limited ("JEL Company") are recognized as resident enterprises of China and subject to the relevant taxation administration, which came into effect in 2008.

According to the *Certificate of Resident Status of Overseas Registered Chinese Holding Enterprises* issued by Shenzhen Taxation Bureau of the State Taxation Administration (Shen Shui Shui Ju Gao [2020] No. 4, Shen Shui Shui Ju Gao [2022] No. 1), Fameluxe Investment Limited ("Fameluxe Investment") and China Logistics Finance Services Co., Ltd. ("Logistics Finance Company") are recognized as a resident enterprise of China and subject to the relevant taxation administration. This came into effect for Fameluxe Investment Limited in 2020, and came into effect for Logistics Finance Company in 2022.

According to the Announcement No. 2 of 2025 issued by the Ministry of Finance, State Taxation Administration, and Ministry of Commerce on the Tax Credit Policy for Foreign Investors Reinvesting Distributed Profits in China, foreign investors who reinvest profits distributed by domestic enterprises in China and commit not to withdraw such investments within five years are eligible for tax credits. For the six months ended 30 June 2026, the Group has benefited from the aforementioned tax credit policy, with an amount of RMB9,097,000 credited against taxes.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at banks and on hand

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Cash on hand:	**5,493,465.60**	5,755,304.72
RMB	**5,476,330.98**	5,737,831.62
HKD	**16,906.02**	17,232.81
Others	**228.60**	240.29
Cash at banks:	**4,287,738,865.21**	5,065,221,750.19
RMB	**3,777,411,328.27**	4,603,687,681.45
HKD	**509,416,357.25**	460,593,774.36
USD	**911,179.69**	940,294.38
Others:	**146,442,280.51**	81,179,226.56
RMB	**146,392,370.36**	81,156,608.25
HKD	**49,910.15**	22,618.31
Interest receivable:	–	766,955.68
Total	**4,439,674,611.32**	5,152,923,237.15
Including: Total amount deposited abroad	**1,220,880,387.58**	650,572,051.74

Note: It primarily consists of the performance bonds, mortgage deposits, and investment funds deposited in securities accounts.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. Cash at banks and on hand (Continued)

As at 30 June 2026, the Group's restricted funds are listed as follows:

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Funds in jointly-managed account (Note V, 30.3(1) - Note)	**250,456,345.28**	250,393,047.48
Special account for project management	**112,979,612.55**	35,810,574.12
Frozen funds due to litigation	**56,678,394.87**	93,544,075.39
Security deposits	**24,467,608.37**	27,324,678.93
Total	**444,581,961.07**	407,072,375.92

2. Transactional financial assets

RMB

Category	Closing balance (Unaudited)	Opening balance (Audited)
Financial assets at FVTPL	**4,136,047,816.87**	2,557,452,332.60
Including:		
Structured deposits	**4,018,143,602.10**	2,439,548,117.83
Compensation for valuation adjustment mechanism receivable	**117,904,214.77**	117,904,214.77
Total	**4,136,047,816.87**	2,557,452,332.60

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable

(1) Accounts receivable disclosed by aging

RMB

Aging	Closing balance (Unaudited)	Opening balance (Audited)
Within 1 year	**464,823,027.70**	486,601,226.91
1 to 2 years	**170,259,939.64**	300,456,282.13
2 to 3 years	**86,245,444.75**	46,645,334.92
Over 3 years	**501,152,185.57**	500,625,956.34
Total	**1,222,480,597.66**	1,334,328,800.30

(2) Accounts receivable disclosed by method of bad debt provision

RMB

Category	Closing balance (Unaudited)					Opening balance (Audited)				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on an individual basis										
Provision assessed on an individual basis	**392,732,568.40**	**32.13**	**211,677,789.92**	**53.90**	**181,054,778.48**	390,292,988.83	29.25	207,708,699.64	53.22	182,584,289.19
Bad debt provision assessed on a portfolio basis										
Portfolio I	**517,672,328.84**	**42.34**	**56,445,381.68**	**10.90**	**461,226,947.16**	626,191,621.43	46.93	51,198,924.75	8.18	574,992,696.68
Portfolio II	**18,580,797.82**	**1.52**	**13,704,134.49**	**73.75**	**4,876,663.33**	18,671,191.68	1.40	13,704,134.49	73.40	4,967,057.19
Portfolio III	**44,492,081.88**	**3.64**	**24,884,535.61**	**55.93**	**19,607,546.27**	41,825,726.58	3.13	24,034,747.14	57.46	17,790,979.44
Portfolio IV	**249,002,820.72**	**20.37**	**19,981,757.67**	**8.02**	**229,021,063.05**	257,347,271.78	19.29	12,846,871.53	4.99	244,500,400.25
Total	**1,222,480,597.66**	**100.00**	**326,693,599.37**		**895,786,998.29**	1,334,328,800.30	100.00	309,493,377.55		1,024,835,422.75

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis:

RMB

Name of entity	Closing balance (Unaudited)			Reason for provision
	Gross carrying amount	Bad debt provision	Proportion (%)	
SEPCO Electric Power Construction Corporation	141,998,000.00	17,646,400.00	12.43	Based on a comprehensive assessment of counterparty's financial condition and the payment arrangements agreed upon with relevant suppliers, it is expected that a portion of the receivables is hard to be recovered
China Sinogy Electric Engineering Co., Ltd.	126,049,250.00	69,546,071.52	55.17	Based on a comprehensive assessment of the counterparty's financial condition and the value of its wind turbine equipment retained by the Group, it is expected that a portion of the receivables is hard to be recovered
Shenzhen Zhongzhuang New Energy Technology Co., Ltd.	35,492,465.65	35,492,465.65	100.00	Based on a comprehensive assessment of counterparty's financial condition, it is expected that the receivables are hard to be recovered
Sihong Gaochuan Wind Power Generation Co., Ltd.	28,364,000.00	28,364,000.00	100.00	The counterparty is undergoing bankruptcy reorganization, and it is expected that the receivables are hard to be recovered
Juye Changguang Wind Energy Co., Ltd.	26,250,000.00	26,250,000.00	100.00	Based on a comprehensive assessment of counterparty's financial condition, it is expected that the receivables are hard to be recovered
Taizhou Keyuan Oil Industry Co., Ltd.	9,852,968.49	9,852,968.49	100.00	Given the outcome of the current litigation proceedings with the counterparty, it is expected that the receivables are hard to be recovered
Guizhou Hongchangheng Environmental Protection Technology Co., Ltd.	8,840,500.00	8,840,500.00	100.00	It is expected that the receivables are hard to be recovered
Shenzhen SuTung New Energy Technology Co., Ltd.	6,611,795.32	6,611,795.32	100.00	It is expected that the receivables are hard to be recovered
Hunan Kaixuan Changtan West Line Expressway Co., Ltd.	3,459,021.43	3,459,021.43	100.00	It is expected that the receivables are hard to be recovered
Changsha Ruqin E-commerce Co., Ltd.	2,940,000.00	2,940,000.00	100.00	It is expected that the receivables are hard to be recovered
Shenzhen Wutong United Shenzhen Co., Ltd.	2,381,579.57	2,181,579.57	91.60	It is expected that a portion of the receivables is hard to be recovered
Tianjin Chuanzai Jingtong Financial Leasing Co., Ltd.	434,987.94	434,987.94	100.00	It is expected that the receivables are hard to be recovered
Shenzhen Shengxuan Cultural Communication Co., Ltd.	58,000.00	58,000.00	100.00	It is expected that the receivables are hard to be recovered
Total	**392,732,568.40**	**211,677,789.92**		

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Credit risk and bad debt provision of accounts receivable in portfolio I:

RMB

Portfolio I	Closing balance (Unaudited)			
	Expected average loss rate (%)	Gross carrying amount	Bad debt provision	Carrying amount
Receivables from government and related parties	10.90	517,672,328.84	56,445,381.68	461,226,947.16
Total		517,672,328.84	56,445,381.68	461,226,947.16

Accounts receivable for which the bad debt provision is assessed by aging analysis method in portfolio II, portfolio III and portfolio IV:

RMB

Portfolio II	Closing balance (Unaudited)		
	Accounts receivable	Bad debt provision	Proportion (%)
Over 3 years	18,580,797.82	13,704,134.49	73.75
Total	18,580,797.82	13,704,134.49	

RMB

Portfolio III	Closing balance (Unaudited)		
	Accounts receivable	Bad debt provision	Proportion (%)
Within 1 year	10,200,124.36	154,867.00	1.52
1 to 2 years	1,905,331.95	149,311.59	7.84
2 to 3 years	357,032.46	189,605.92	53.11
Over 3 years	32,029,593.11	24,390,751.10	76.15
Total	44,492,081.88	24,884,535.61	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

RMB

Portfolio IV	Closing balance (Unaudited) Accounts receivable	Closing balance (Unaudited) Bad debt provision	Closing balance (Unaudited) Proportion (%)
Within 1 year	**117,574,448.06**	**261,768.01**	**0.22**
1 to 2 years	**60,502,471.00**	**984,387.04**	**1.63**
2 to 3 years	**61,151,757.70**	**18,103,527.72**	**29.60**
Over 3 years	**9,774,143.96**	**632,074.90**	**6.47**
Total	**249,002,820.72**	**19,981,757.67**	

Measurement of expected credit losses at an amount equivalent to the lifetime ECL

RMB

Bad debt provision	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Opening balance (Audited)	101,784,677.91	207,708,699.64	309,493,377.55
– Transfer into those credit-impaired	–	–	–
Provision	13,231,131.54	3,969,090.28	17,200,221.82
Reversal	–	–	–
Other changes	–	–	–
Closing balance (Unaudited)	115,015,809.45	211,677,789.92	326,693,599.37

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(3) Details of bad debt provision

RMB

Category	Opening balance (Audited)	Changes for the period				Closing balance (Unaudited)
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Accounts receivable for which bad debt provision is assessed on an individual basis	207,708,699.64	3,969,090.28	–	–	–	**211,677,789.92**
Accounts receivable for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics	101,784,677.91	13,231,131.54	–	–	–	**115,015,809.45**
Total	309,493,377.55	17,200,221.82	–	–	–	**326,693,599.37**

For the six months ended 30 June 2026, the Group had no recovery or reversal of bad debt provision which was individually significant.

(4) For the six months ended 30 June 2026, no accounts receivable have been written off.

(5) Top five accounts receivable and contract assets categorized by debtor

RMB

Name of entity	Closing balance of accounts receivable (Unaudited)	Closing balance of contract assets (Unaudited)	Closing balance of accounts receivable and contract assets (Unaudited)	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts of accounts receivable and provision for impairment of contact assets (Unaudited)
Total of top five accounts receivable and contracts assets at the end of period	376,508,424.86	55,568,530.13	432,076,954.99	18.33	142,675,170.56

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Prepayments

(1) Prepayments presented by aging

RMB

Aging	Closing balance (Unaudited)		Opening balance (Audited)	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	**52,379,978.87**	**49.24**	84,534,311.46	70.68
1 to 2 years	**20,571,537.18**	**19.34**	10,575,785.37	8.84
2 to 3 years	**24,565,681.70**	**23.09**	19,434,382.97	16.25
Over 3 years	**8,863,028.30**	**8.33**	5,054,232.52	4.23
Total	**106,380,226.05**	**100.00**	119,598,712.32	100.00

(2) Prepayments presented by nature

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Prepayments for materials	**52,419,460.04**	79,721,258.74
Others	**53,960,766.01**	39,877,453.58
Total	**106,380,226.05**	119,598,712.32

As at 30 June 2026, the prepayments aged over one year mainly represent the prepayments for materials. Since the relevant materials have not yet been delivered or received, the prepayments remain outstanding.

(3) Top five prepayments categorized by payee

RMB

Name of entity	Relationship with the Group	Gross carrying amount	Aging	Proportion to total prepayments (%)
Total of top five prepayments at the End of the period	Non-related party	48,971,915.71	With in 1 year, 1 to 2 years, 2 to 3 years	46.03

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables

5.1 Presentation of other receivables

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Dividends receivable	**149,372,133.59**	–
Other receivables	**588,021,070.33**	678,305,946.54
Total	**737,393,203.92**	678,305,946.54

5.2 Dividends receivable

RMB

Investee	Closing balance (Unaudited)	Opening balance (Audited)
Guangdong Guangzhou-Zhuhai West Expressway Co., Ltd. ("Guangzhou-Zhuhai West Expressway")	**103,619,429.21**	–
Bank of Guizhou Co., Ltd.	**30,132,419.88**	–
Guangzhou-Shenzhen-Zhuhai Expressway Co., Ltd. ("Guangzhou-Shenzhen-Zhuhai Expressway")	**13,537,275.00**	–
Shenzhen Water Planning & Design Institute Co., Ltd. ("Water Planning & Design Institute")	**2,083,009.50**	–
Total	**149,372,133.59**	–

5.3 Other receivables

(1) Other receivables disclosed by aging

RMB

Aging	Closing balance (Unaudited)	Opening balance (Audited)
Within 1 year	**108,736,569.58**	183,994,134.25
1 to 2 years	**232,509,639.51**	278,440,352.56
2 to 3 years	**163,347,315.93**	108,423,241.25
Over 3 years	**222,010,957.85**	225,483,968.55
Sub-total	**726,604,482.87**	796,341,696.61
Less: Bad debt provision for other receivables	**138,583,412.54**	118,035,750.07
Total	**588,021,070.33**	678,305,946.54

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

5.3 Other receivables (Continued)

(2) Categories of other receivables by nature

RMB

Nature	Closing balance (Unaudited)	Opening balance (Audited)
Receivables from third parties	**314,657,527.27**	390,785,846.63
Advance distribution of profits to minority shareholders	**173,500,000.00**	163,500,000.00
Receivables from related parties (Note XI, 6(1))	**89,874,679.82**	90,274,305.49
Deposits and security deposits	**55,832,573.43**	55,046,647.49
Advances receivable	**6,106,040.41**	16,869,799.67
Employee advances	**5,860,569.46**	4,443,131.49
Administrative reserve	**1,148,151.00**	1,163,013.00
Others	**79,624,941.48**	74,258,952.84
Total	**726,604,482.87**	796,341,696.61

(3) Provision for bad debts

RMB

Bad debt provision	Stage I 12-month ECL	Stage II Lifetime ECL (not credit-impaired)	Stage III Lifetime ECL (credit-impaired)	Total
Opening balance (Audited)	118,035,750.07	–	–	118,035,750.07
– Transfer into Stage II	–	–	–	–
– Transfer into Stage III	–	–	–	–
– Reverse to Stage II	–	–	–	–
– Reverse to Stage I	–	–	–	–
Provision	21,388,821.51	–	–	21,388,821.51
Reversal	(841,159.04)	–	–	(841,159.04)
Transfer out due to derecognition of financial assets (including direct write-down)	–	–	–	–
Other changes	–	–	–	–
Closing balance (Unaudited)	**138,583,412.54**	**–**	**–**	**138,583,412.54**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

5.3 Other receivables (Continued)

(4) Details of bad debt provision

RMB

Category	Opening balance (Audited)	Changes for the period			Closing balance (Unaudited)
		Provision	Recovery or reversal	Charge-off or write-off	
Other receivables for which bad debt provision is assessed on a portfolio basis	118,035,750.07	21,388,821.51	(841,159.04)	–	**138,583,412.54**

(5) Top five other receivables categorized by debtor

RMB

Name of entity	Closing Balance (Unaudited)	Proportion to total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts (Unaudited)
Shenzhen SEZ Construction and Development Group Co., Ltd. ("Const. & Dvpt Company")	245,030,763.43	33.72	Amounts due from third parties	1 to 2 years, 2 to 3 years	–
Shenzhen Huayu Investment Development (Group) Co., Ltd.	173,692,594.64	23.90	Advance distribution of profits to minority shareholders by subsidiaries	Within 1 year, 1 to 2 years	–
Huai'an Zhongheng New Energy Co., Ltd. ("Huai'an Zhongheng")	88,331,191.80	12.16	Amounts due from related parties	Over 3 years	88,331,191.80
PowerChina Jiangxi Electric Power Construction Co., Ltd.	41,200,000.00	5.67	Deposits and security deposits	Over 3 years	–
Mulei County Xinhua Energy No. 1 Wind Power Generation Co., Ltd.	27,429,043.00	3.78	Others	Over 3 years	–
Total	**575,683,592.87**	**79.23**			**88,331,191.80**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Inventories

(1) Categories of inventories

RMB

Item	Closing balance (Unaudited)			Opening balance (Audited)		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Properties held for development (Note 1)	**259,556,916.93**	**–**	**259,556,916.93**	258,790,747.84	–	258,790,747.84
Properties under development (Note 2)	**102,623,899.71**	**–**	**102,623,899.71**	102,290,084.59	–	102,290,084.59
Properties held for sale (Note 3)	**544,366,914.62**	**123,801,915.32**	**420,564,999.30**	578,943,985.29	133,549,155.79	445,394,829.50
Raw materials	**200,536,012.17**	**131,176,667.53**	**69,359,344.64**	192,788,887.50	131,292,811.04	61,496,076.46
Work in progress	**172,933,371.18**	**132,537,671.53**	**40,395,699.65**	171,544,646.78	132,537,671.53	39,006,975.25
Goods on hand	**72,646,101.57**	**57,407,548.00**	**15,238,553.57**	71,653,378.81	58,034,459.58	13,618,919.23
Low-value consumables and others	**1,886,152.35**	**–**	**1,886,152.35**	2,564,135.48	–	2,564,135.48
Total	**1,354,549,368.53**	**444,923,802.38**	**909,625,566.15**	1,378,575,866.29	455,414,097.94	923,161,768.35

Note 1: Properties held for development represent the lands to be developed under Phase II Stage III and Phase III Stage II of Youshan Villa project of Guizhou Shenzhen Expressway Land Co., Ltd. ("Guizhou Land"), and the lands to be developed by Guizhou Shenzhen Expressway Investment Land Company ("Guishen Expressway Investment") and Guizhou Yefengrui Land Limited Company ("Yefengrui Land"), all of which are subsidiaries of the Company.

Note 2: Properties under development

RMB

Name of project	Closing balance (Unaudited)	Opening balance (Audited)
Public area to be amortized	**102,623,899.71**	102,290,084.59
Total	**102,623,899.71**	102,290,084.59

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Inventories (Continued)

(1) Categories of inventories (Continued)

Note 3: Properties held for sale

RMB

Name of project	Time of completion	Opening balance (Audited)	Addition	Reduction	Closing balance (Unaudited)	Closing balance of provision for decline in value
Phase I Stage I of Youshan Villa	December 2016	11,176,877.24	–	–	**11,176,877.24**	–
Phase II Stage II of Youshan Villa	April 2019	46,251,723.77	–	–	**46,251,723.77**	–
Phase III Stage I of Youshan Villa	November 2020	3,987,702.61	–	–	**3,987,702.61**	–
Phase III Stage III of Youshan Villa	September 2022	517,527,681.67	6,019,810.94	40,596,881.61	**482,950,611.00**	123,801,915.32
Total		578,943,985.29	6,019,810.94	40,596,881.61	**544,366,914.62**	123,801,915.32

(2) Provision for decline in value of inventories

RMB

Item	Opening balance (Audited)	Provision	Reversal	Write-off	Closing balance (Unaudited)
Raw materials	131,292,811.04	–	–	(116,143.51)	**131,176,667.53**
Work in progress	132,537,671.53	–	–	–	**132,537,671.53**
Goods on hand	58,034,459.58	–	–	(626,911.58)	**57,407,548.00**
Properties held for sale	133,549,155.79	–	–	(9,747,240.47)	**123,801,915.32**
Total	455,414,097.94	–	–	(10,490,295.56)	**444,923,802.38**

(3) Descriptions on capitalized borrowing costs included in the closing balance of inventories

For the six months ended 30 June 2026, the amount of capitalized interest included in inventories was nil (for the six months ended 30 June 2025: nil), and the capitalization rate used to recognize the capitalization amount was nil (for the six months ended 30 June 2025: nil). As at 30 June 2026, the amount of capitalized interest included in the closing balance of inventories was RMB2,553,612.30 (31 December 2025: RMB2,752,439.71).

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contract assets

(1) Details of contract assets

RMB

Item	Closing balance (Unaudited)			Opening balance (Audited)		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets over one year (Note 1)	**382,599,993.62**	**–**	**382,599,993.62**	814,056,412.18	–	814,056,412.18
Receivables from agent-construction services	**169,817,818.24**	**3,304,869.42**	**166,512,948.82**	282,562,045.34	3,304,869.42	279,257,175.92
Warranty deposits receivable	**69,156,423.88**	**46,884,343.88**	**22,272,080.00**	69,156,423.88	46,884,343.88	22,272,080.00
Receivables from construction services for kitchen waste projects	**47,718,409.41**	**30,850,601.30**	**16,867,808.11**	42,458,336.42	30,872,509.91	11,585,826.51
Receivables from other business activities (Note 2)	**465,720,097.73**	**164,110.00**	**465,555,987.73**	220,534,800.88	164,110.00	220,370,690.88
Sub-total	**1,135,012,742.88**	**81,203,924.60**	**1,053,808,818.28**	1,428,768,018.70	81,225,833.21	1,347,542,185.49
Less: Contract assets over one year	**382,599,993.62**	**–**	**382,599,993.62**	814,056,412.18	–	814,056,412.18
Total	**752,412,749.26**	**81,203,924.60**	**671,208,824.66**	614,711,606.52	81,225,833.21	533,485,773.31

Note 1: Refer to Note V, 21.

Note 2: This is primarily attributable to contract assets of RMB445,702,405.76 recognized by the Group in accordance with relevant documents issued by the transportation authorities of Guangdong Province, which relate to toll revenue and are due within one year.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contract assets (Continued)

(2) Amount and reason for the significant changes in carrying amount for the current period

RMB

Item	Amount of changes	Reason for changes
Receivables from other business activities	266,025,141.64	The increase in contract assets corresponding to toll revenue, recognized in the current period and maturing within one year, pursuant to relevant documents issued by the Guangdong Provincial Transport Authorities
Receivables from agent-construction services	(112,744,227.10)	Carried forward to accounts receivable based on project settlement this period

(3) Contract assets disclosed by method of bad debt provision

RMB

	Closing balance (Unaudited)					Opening balance (Audited)				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on an individual basis	**77,640,273.02**	**6.84**	**73,380,873.42**	**94.51**	**4,259,399.60**	77,640,273.02	5.43	66,339,557.53	85.44	11,300,715.49
Bad debt provision assessed on a portfolio basis	**1,057,372,469.86**	**93.16**	**7,823,051.18**	**0.74**	**1,049,549,418.68**	1,351,127,745.68	94.57	14,886,275.68	1.10	1,336,241,470.00
Including:										
Portfolio I	**1,007,202,003.70**	**88.74**	**-**	**-**	**1,007,202,003.70**	1,272,990,852.22	89.10	-	-	1,272,990,852.22
Portfolio II	**22,381,223.88**	**1.97**	**109,143.88**	**0.49**	**22,272,080.00**	22,381,223.88	1.57	109,143.88	0.49	22,272,080.00
Portfolio III	**7,771,550.31**	**0.68**	**7,549,797.30**	**97.15**	**221,753.01**	14,898,132.82	1.04	14,613,021.80	98.09	285,111.02
Portfolio IV	**20,017,691.97**	**1.77**	**164,110.00**	**0.82**	**19,853,581.97**	40,857,536.76	2.86	164,110.00	0.40	40,693,426.76
Total	**1,135,012,742.88**	**100.00**	**81,203,924.60**		**1,053,808,818.28**	1,428,768,018.70	100.00	81,225,833.21		1,347,542,185.49

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis

RMB

Bad debt provision assessed on an individual basis	Closing balance (Unaudited)			Reason for provision
	Gross carrying amount	Bad debt provision	Proportion (%)	
Warranty deposits for sale of wind turbines	**46,775,200.00**	**46,775,200.00**	**100.00**	It is expected that the warranty deposits are hard to be recovered
Construction payments for Kitchen Waste Treatment Plant Project	**27,560,203.60**	**23,300,804.00**	**84.55**	It is expected that part of the construction payments for the kitchen waste treatment projects will be difficult to recover
Shenshan Houmen Project	**3,304,869.42**	**3,304,869.42**	**100.00**	It is expected that the agent-construction payments are hard to be recovered
Total	**77,640,273.02**	**73,380,873.42**		

Bad debt provision assessed on a portfolio basis

RMB

Portfolio I	Closing balance (Unaudited)		
	Gross carrying amount	Bad debt provision	Proportion (%)
Government and related parties	**1,007,202,003.70**	–	–
Total	**1,007,202,003.70**	–	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on a portfolio basis (Continued)

RMB

	Closing balance (Unaudited)		
Portfolio II	**Gross carrying amount**	**Bad debt provision**	**Proportion (%)**
Over 3 years	**22,381,223.88**	**109,143.88**	**0.49**
Total	**22,381,223.88**	**109,143.88**	

Note: Portfolio II is the sales of accounts receivable fans industry customer warranty deposit.

RMB

	Closing balance (Unaudited)		
Portfolio III	**Gross carrying amount**	**Bad debt provision**	**Proportion (%)**
2 to 3 years	**316,790.02**	**95,037.01**	**30.00**
Over 5 years	**7,454,760.29**	**7,454,760.29**	**100.00**
Total	**7,771,550.31**	**7,549,797.30**	

RMB

	Closing balance (Unaudited)		
Portfolio IV	**Gross carrying amount**	**Bad debt provision**	**Proportion (%)**
Within 1 year	**20,017,691.97**	**164,110.00**	**0.82**
Total	**20,017,691.97**	**164,110.00**	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Measurement of expected credit losses at an amount equivalent to the lifetime ECL

RMB

Bad debt provision	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Opening balance (Audited)	14,886,275.68	66,339,557.53	81,225,833.21
Opening balance in the current period			
– Transferred to those credit-impaired	–	–	–
Provision	63,358.00	7,041,315.89	7,104,673.89
Reversal	(7,126,582.50)	–	(7,126,582.50)
Other changes	–	–	–
Closing balance (Unaudited)	**7,823,051.18**	**73,380,873.42**	**81,203,924.60**

(4) Provision for credit losses of contract assets for the period

RMB

Category	Opening balance (Audited)	Provision	Reversal	Closing balance (Unaudited)
Warranty deposits receivable	46,884,343.88	–	–	**46,884,343.88**
Receivables from construction services for kitchen waste projects	30,872,509.91	7,104,673.89	(7,126,582.50)	**30,850,601.30**
Receivables from agent-construction services	3,304,869.42	–	–	**3,304,869.42**
Receivables from other business activities	164,110.00	–	–	**164,110.00**
Total	81,225,833.21	7,104,673.89	(7,126,582.50)	**81,203,924.60**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Non-current assets due within one year

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Receivables for construction of Longli River Bridge project (Note)	**548,197,857.03**	406,198,392.78
Receivables for construction of Bimeng project (Note)	**495,771,594.21**	319,298,053.84
Financial leasing receivables (Note)	**176,002,865.80**	218,840,331.79
Sub-total	**1,219,972,317.04**	944,336,778.41
Less: Provision for bad debts	**2,720,823.45**	2,896,772.70
Total	**1,217,251,493.59**	941,440,005.71

Note: Please refer to Note V, 11.

9. Other current assets

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Large-denomination deposit certificate	**248,522,054.80**	462,711,808.20
Pending deduction of input VAT	**155,733,968.70**	176,262,263.74
Prepaid taxes	**23,394,904.66**	15,046,433.82
Total	**427,650,928.16**	654,020,505.76

10. Long-term prepayments

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Prepayments for reconstruction and expansion of Airport-Heao Expressway	**1,186,204,411.84**	1,215,067,781.24
Prepaid project fund of Outer Ring Company	**399,910,281.60**	473,178,759.60
Prepaid project fund of Shenzhen-Shanwei Expressway project	**88,275,312.92**	88,275,312.92
Prepayments for acquisition and construction of long-term assets	**14,778,651.39**	11,195,856.49
Total	**1,689,168,657.75**	1,787,717,710.25

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term receivables

(1) Details of long-term receivables

RMB

Item	Closing balance (Unaudited)			Opening balance (Audited)		
	Gross carrying amount	Bad debt provision	Carrying amount	Gross carrying amount	Bad debt provision	Carrying amount
Financial leasing receivables (Note 1)	**1,175,678,955.01**	**18,714,580.78**	**1,156,964,374.23**	1,183,002,270.62	19,233,242.23	1,163,769,028.39
Electricity subsidy income (Note 2)	**1,140,908,389.51**	**98,896,850.99**	**1,042,011,538.52**	1,102,947,819.21	81,692,783.40	1,021,255,035.81
Receivables for construction of Longli River Bridge project	**974,196,249.77**	**–**	**974,196,249.77**	974,196,249.77	–	974,196,249.77
Receivables for construction of Bimeng project	**798,245,134.61**	**–**	**798,245,134.61**	798,245,134.61	–	798,245,134.61
Receivables from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd.	**61,177,679.81**	**–**	**61,177,679.81**	60,941,210.16	–	60,941,210.16
Sub-total	**4,150,206,408.71**	**117,611,431.77**	**4,032,594,976.94**	4,119,332,684.37	100,926,025.63	4,018,406,658.74
Less: Long-term receivables due within one year (Note V, 8)	**1,219,972,317.04**	**2,720,823.45**	**1,217,251,493.59**	944,336,778.41	2,896,772.70	941,440,005.71
Including: Receivables for construction of Longli River Bridge project	**548,197,857.03**	**–**	**548,197,857.03**	406,198,392.78	–	406,198,392.78
Receivables for construction of Bimeng project	**495,771,594.21**	**–**	**495,771,594.21**	319,298,053.84	–	319,298,053.84
Financial leasing receivables (Note 1)	**176,002,865.80**	**2,720,823.45**	**173,282,042.35**	218,840,331.79	2,896,772.70	215,943,559.09
Total	**2,930,234,091.67**	**114,890,608.32**	**2,815,343,483.35**	3,174,995,905.96	98,029,252.93	3,076,966,653.03

Note 1: It represents the rents and interest of equipment under financial leasing receivables by Shenzhen Expressway Financial Leasing Company Limited ("Financial Leasing Company"), a subsidiary of the Company. As at 30 June 2026, the financial leasing receivables amounted to RMB1,175,678,955.01 (31 December 2025: RMB1,183,002,270.62).

Note 2: It represents the electricity subsidy which has not been received by subsidiaries of the Group engaged in new energy business. For the six months ended 30 June 2026, the subsidy income (tax inclusive) recognized by the aforesaid companies based on relevant documents amounted to RMB154,248,894.86, and the subsidy received amounted to RMB116,288,324.56.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term receivables (Continued)

(2) Long-term receivables disclosed by method of bad debt provision

RMB

Category	Closing balance (Unaudited)					Opening balance (Audited)				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on a portfolio basis:										
Portfolio I	**1,833,619,064.19**	**44.18**	**-**	**-**	**1,833,619,064.19**	1,833,382,594.54	44.51	–	–	1,833,382,594.54
Portfolio II (Financial leasing receivables)	**1,175,678,955.01**	**28.33**	**18,714,580.78**	**1.59**	**1,156,964,374.23**	1,183,002,270.62	28.72	19,233,242.23	1.63	1,163,769,028.39
Portfolio III (Electricity subsidy income)	**1,140,908,389.51**	**27.49**	**98,896,850.99**	**8.67**	**1,042,011,538.52**	1,102,947,819.21	26.77	81,692,783.40	7.41	1,021,255,035.81
Total	**4,150,206,408.71**	**100.00**	**117,611,431.77**		**4,032,594,976.94**	4,119,332,684.37	100.00	100,926,025.63		4,018,406,658.74

Bad debt provision assessed on a portfolio basis

RMB

Portfolio I	Closing balance (Unaudited)		
	Gross carrying amount	Bad debt provision	Proportion (%)
Receivables for construction of Longli River Bridge project	**974,196,249.77**	–	–
Receivables for construction of Bimeng project	**798,245,134.61**	–	–
Advances due from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd.	**61,177,679.81**	–	–
Total	**1,833,619,064.19**	–	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term receivables (Continued)

(2) Long-term receivables disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on a portfolio basis (Continued)

RMB

Portfolio II (Financial leasing receivables)	Closing balance (Unaudited)		
	Gross carrying amount	Bad debt provision	Proportion (%)
Normal	**893,152,453.50**	**9,416,584.56**	**1.05**
Attention	**282,526,501.51**	**9,297,996.22**	**3.29**
Total	**1,175,678,955.01**	**18,714,580.78**	

RMB

Portfolio III (Electricity subsidy income)	Closing balance (Unaudited)		
	Gross carrying amount	Bad debt provision	Proportion (%)
Electricity subsidy approved	**991,124,435.60**	**9,911,244.35**	**1.00**
Electricity subsidy under approval	**149,783,953.91**	**88,985,606.64**	**59.41**
Total	**1,140,908,389.51**	**98,896,850.99**	

Provision for bad debts based on general model of expected credit losses

RMB

Bad debt provision	Stage I 12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Opening balance (Audited)	100,926,025.63	–	–	100,926,025.63
Provision	17,204,067.59	–	–	17,204,067.59
Reversal	(518,661.45)	–	–	(518,661.45)
Closing balance (Unaudited)	**117,611,431.77**	**–**	**–**	**117,611,431.77**

(3) Details of bad debt provision

RMB

Category	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
Electricity subsidy income	81,692,783.40	17,204,067.59	–	**98,896,850.99**
Financial leasing receivables	19,233,242.23	–	518,661.45	**18,714,580.78**
Total	100,926,025.63	17,204,067.59	518,661.45	**117,611,431.77**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments

RMB

Investee	Opening balance (Audited)	Changes for the period: Addition	Reduction	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Cash dividend or profit declared	Provision for impairment	Others	Closing balance (Unaudited)	Shareholding proportion (%)	Closing balance of provision for impairment
Chongqing Derun Environment Co., Ltd. ("Derun Environment")	5,151,293,516.00	-	-	89,079,133.02	-	-	-	-	5,240,372,649.02	20.00	-
Guangzhou-Shenzhen-Zhuhai Expressway	5,498,775,375.98	349,057,275.00	-	135,504,909.24	-	(1,352,236,500.00)	-	-	4,631,101,060.22	45.00	-
Guangdong Guangzhou-Zhuhai West Line Expressway Co., Ltd. ("Guangzhou-Zhuhai West Line Expressway")	3,188,719,386.67	-	-	38,350,630.25	-	(103,619,429.21)	-	-	3,123,450,587.71	50.00	171,000,000.00
Guangdong Yangmao Expressway Co., Ltd. ("Yangmao Company")	812,462,842.81	-	-	25,301,557.16	-	(32,073,259.13)	-	-	805,691,140.84	25.00	-
Shenzhen International United Land Co., Ltd. ("United Land Company")	729,865,465.28	-	-	9,918,569.14	-	-	-	(493,176.83)	739,290,857.59	34.30	-
E Fund – Shenzhen Expressway REITs (code: 508033)	682,236,131.70	-	-	8,930,888.26	-	(18,096,000.00)	-	-	673,071,019.96	40.00	-
Nanjing Yangtze River Third Bridge Co., Ltd. ("Nanjing Third Bridge Company")	454,411,172.51	-	-	29,377,790.62	-	(41,448,487.78)	-	-	442,340,475.35	35.00	-
Guangzhou Zhentong Industrial Development Co., Ltd. ("Xintang Joint Venture") ((Note 1)	393,359,248.65	-	-	2,134,779.72	-	-	-	-	395,494,028.37	15.00	-
Guangzhou Western Second Ring Expressway Co., Ltd. ("GZ W2 Company")	373,373,322.57	-	-	25,886,513.39	-	(47,729,600.00)	-	-	351,530,235.96	25.00	-
Shenzhen Fenghe Energy Investment Co., Ltd. ("Fenghe Energy")	240,161,757.25	-	-	6,174,293.81	(610,288.30)	-	-	-	245,725,762.76	50.00	-
Foshan Shunde Shengchuang Shenzhen Expressway Environmental Technology Industry M&A Investment Partnership (Limited Partnership) ("Shengchuang Fund")	10,897,202.21	-	-	(886,892.73)	-	-	-	-	10,010,309.48	45.00	-
Others (Note 2)	2,119,667,781.25	-	-	60,122,939.43	(24,310,720.80)	(30,206,445.28)	-	(79,375,592.00)	2,045,897,962.60		-
Total	19,655,223,202.88	349,057,275.00	-	429,895,111.31	(24,921,009.10)	(1,625,409,721.40)	-	(79,868,768.83)	18,703,976,089.86		171,000,000.00

Note 1: Bay Area Development, a subsidiary of the Company, has appointed one director to the Board of Directors of Xintang Joint Venture, which has a significant impact on its operation and financial decisions.

Note 2: Others include the Group's associates and joint ventures Yunji Smart Engineering Co., Ltd. ("Yunji Smart"), Shenzhen Huayu Expressway Investment Co., Ltd. ("Huayu Company"), Guizhou Hengtongli Property Co., Ltd., Bank of Guizhou Co., Ltd. and Huai'an Zhongheng.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other non-current financial assets

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Water Planning & Design Institute	**333,763,000.00**	468,952,200.00
Shenzhen State Owned Cooperative Development Private Equity Fund Partnership (Limited Partnership) ("Cooperative Development Fund")	**312,757,389.60**	334,046,390.66
Guangdong United Electronic Service Co., Ltd. ("United Electronic")	**235,264,743.58**	248,836,725.60
Guangdong Heyuan Rural Commercial Bank Co., Ltd.	**22,503,680.00**	22,503,680.00
Guangdong Zijin Rural Commercial Bank Co., Ltd.	**9,180,560.00**	9,180,560.00
Yiwu Shenneng Renewable Resources Utilization Co., Ltd.	**3,443,730.00**	3,443,730.00
Total	**916,913,103.18**	1,086,963,286.26

For the six months ended 30 June 2026, these investments in equity instruments decreased by RMB170,050,183.08, of which RMB17,951,630.67 represented a decrease in principal due to the exit of investment projects related to the Collaborative Development Fund. The loss from changes in fair value amounted to RMB152,098,552.41 (for the six months ended 30 June 2025: gains on changes in fair value of RMB69,109,749.24). Please refer to Note V, 50.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Investment properties

(1) Investment properties measured at cost

RMB

Item	Parking space (Note)	Buildings	Total
I. Cost			
1. Opening balance (Audited)	18,180,000.00	16,032,768.93	34,212,768.93
2. Additions	–	–	–
3. Reductions	–	–	–
4. Closing balance (Unaudited)	18,180,000.00	16,032,768.93	34,212,768.93
II. Accumulated amortization			
1. Opening balance (Audited)	9,835,731.48	4,159,178.07	13,994,909.55
2. Additions	287,862.12	380,777.09	668,639.21
(1) Provision	287,862.12	380,777.09	668,639.21
3. Reductions	–	–	–
4. Closing balance (Unaudited)	10,123,593.60	4,539,955.16	14,663,548.76
III. Carrying amount			
1. Closing balance (Unaudited)	8,056,406.40	11,492,813.77	19,549,220.17
2. Opening balance (Audited)	8,344,268.52	11,873,590.86	20,217,859.38

Note: The investment property represents the parking space beneath Jiangsu Building where the headquarters of the Company locates, which is entrusted to the property management company for renting to relevant car owners.

* The Group's investment properties are all located in the Chinese Mainland and held in the form of leases.

(2) As at 30 June 2026, the investment properties without certificates of ownership are listed as follows

RMB

Item	Carrying amount (Unaudited)	Reason for not yet obtaining the certificate of ownership
The parking space beneath Jiangsu Building	8,056,406.40	No certificate of ownership will be issued for parking space in Shenzhen
Total	8,056,406.40	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets

(1) Details of fixed assets

RMB

Item	Buildings	Traffic equipment	Motor vehicles	Office and other equipment	Machinery and equipment	Total
I. Cost						
1. Opening balance (Audited)	3,782,878,357.24	1,729,802,277.57	102,118,867.66	143,647,777.87	4,735,713,096.87	10,494,160,377.21
2. Additions	1,374,405.60	6,078,126.75	4,092,588.56	2,599,970.86	3,450,929.15	17,596,020.92
(1) Purchase	1,374,405.60	57,491.79	4,092,588.56	2,595,363.09	1,195,172.03	9,315,021.07
(2) Transfer from construction in progress	–	6,020,634.96	–	4,607.77	2,255,757.12	8,280,999.85
3. Reductions	19,809.41	1,751,814.64	1,262,274.79	2,648,626.86	–	5,682,525.70
(1) Disposals or retirement	–	1,751,814.64	1,262,274.79	2,648,626.86	–	5,662,716.29
(2) Others	19,809.41	–	–	–	–	19,809.41
4. Closing balance (Unaudited)	3,784,232,953.43	1,734,128,589.68	104,949,181.43	143,599,121.87	4,739,164,026.02	10,506,073,872.43
II. Accumulated depreciation						
1. Opening balance (Audited)	800,784,544.30	1,212,677,187.52	39,493,724.39	130,604,275.27	1,305,867,813.93	3,489,427,545.41
2. Additions	69,261,560.71	55,095,094.10	7,480,462.93	12,189,065.72	118,926,925.35	262,953,108.81
(1) Provision	69,261,560.71	55,095,094.10	7,480,462.93	12,189,065.72	118,926,925.35	262,953,108.81
3. Reductions	–	1,356,896.16	1,174,533.00	2,589,275.44	–	5,120,704.60
(1) Disposals or retirement	–	1,356,896.16	1,174,533.00	2,589,275.44	–	5,120,704.60
4. Closing balance (Unaudited)	870,046,105.01	1,266,415,385.46	45,799,654.32	140,204,065.55	1,424,794,739.28	3,747,259,949.62
III. Provision for impairment						
1. Opening balance (Audited)	34,392,136.68	–	–	2,594,438.42	12,127,750.45	49,114,325.55
2. Closing balance (Unaudited)	34,392,136.68	–	–	2,594,438.42	12,127,750.45	49,114,325.55
IV. Carrying amount						
1. Closing balance (Unaudited)	2,879,794,711.74	467,713,204.22	59,149,527.11	800,617.90	3,302,241,536.29	6,709,699,597.26
2. Opening balance (Audited)	2,947,701,676.26	517,125,090.05	62,625,143.27	10,449,064.18	3,417,717,532.49	6,955,618,506.25

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(2) Fixed assets without certificates of ownership

RMB

Item	Carrying amount (Unaudited)	Reason for not yet obtaining the certificate of ownership
Buildings	442,756,336.61	According to the actual characteristics of the Group's toll road operation, all toll roads and the affiliated buildings would be returned to the government when the approved operating periods expire, therefore, the Group has no intention to acquire the related property ownership certificates.

16. Construction in progress

(1) Details of construction in progress

RMB

Item	Closing balance (Unaudited)			Opening balance (Audited)		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Wind farm renovation project	**36,598,466.77**	**–**	**36,598,466.77**	36,620,035.29	–	36,620,035.29
Expressway electromechanical engineering	**20,396,065.48**	**–**	**20,396,065.48**	26,603,148.18	–	26,603,148.18
Expressway photovoltaic project	**17,512,425.62**	**–**	**17,512,425.62**	2,024,081.62	–	2,024,081.62
Expressway subgrade, pavement, bridge and culvert engineering	**15,580,308.34**	**–**	**15,580,308.34**	15,580,308.34	–	15,580,308.34
Expressway building construction engineering	**12,901,233.21**	**–**	**12,901,233.21**	17,912,681.58	–	17,912,681.58
Xuanwei project	**11,966,069.00**	**11,966,069.00**	**–**	11,966,069.00	11,966,069.00	–
R&D project on BIM modeling and digital management regarding existing expressways	**3,706,132.10**	**–**	**3,706,132.10**	1,647,169.84	–	1,647,169.84
Others	**33,931,924.45**	**2,195,969.80**	**31,735,954.65**	20,816,912.89	2,195,969.80	18,620,943.09
Total	**152,592,624.97**	**14,162,038.80**	**138,430,586.17**	133,170,406.74	14,162,038.80	119,008,367.94

(2) Changes in significant construction in progress during the period

There is no significant construction in progress during the period.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Right-of-use assets

RMB

Item	Buildings	Mechanical equipment	Total
I. Cost			
1. Opening balance (Audited)	117,362,299.68	3,353,974.09	120,716,273.77
2. Additions	5,142,211.14	–	5,142,211.14
(1) Acquisitions	5,142,211.14	–	5,142,211.14
3. Reductions	2,969,554.05	–	2,969,554.05
(1) Disposals	2,969,554.05	–	2,969,554.05
4. Closing balance (Unaudited)	119,534,956.77	3,353,974.09	122,888,930.86
II. Accumulated depreciation			
1. Opening balance (Audited)	91,724,929.85	186,331.88	91,911,261.73
2. Additions	8,227,264.11	279,497.82	8,506,761.93
(1) Provision	8,227,264.11	279,497.82	8,506,761.93
3. Reductions	2,840,901.30	–	2,840,901.30
(1) Disposals	2,840,901.30	–	2,840,901.30
4. Closing balance (Unaudited)	97,111,292.66	465,829.70	97,577,122.36
III. Carrying amount			
1. Closing balance (Unaudited)	22,423,664.11	2,888,144.39	25,311,808.50
2. Opening balance (Audited)	25,637,369.83	3,167,642.21	28,805,012.04

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets

(1) Details of intangible assets

RMB

Item	Franchise rights	Office software and others	Billboard land use rights	Land use right	Contract rights	Patent use right	Total
I. Cost							
1. Opening balance (Audited)	45,481,012,741.26	112,616,271.35	1,647,622.58	215,879,018.54	68,866,700.00	165,693,403.17	46,045,715,756.90
2. Additions	413,960,220.31	4,823,611.97	–	–	–	–	418,783,832.28
(1) Purchases	–	4,823,611.97	–	–	–	–	4,823,611.97
(2) Constructions	413,960,220.31	–	–	–	–	–	413,960,220.31
3. Reductions	4,534,076,558.04	14,867.26	1,647,622.58	–	–	–	4,535,739,047.88
(1) Disposals (Note 1)	4,448,811,774.57	14,867.26	1,647,622.58	–	–	–	4,450,474,264.41
(2) Other reductions	85,264,783.47	–	–	–	–	–	85,264,783.47
4. Closing balance (Unaudited)	41,360,896,403.53	117,425,016.06	–	215,879,018.54	68,866,700.00	165,693,403.17	41,928,760,541.30
II. Accumulated amortization							
1. Opening balance (Audited)	16,752,331,933.06	64,685,275.53	1,647,622.58	32,606,379.70	30,340,214.57	125,381,889.76	17,006,993,315.20
2. Additions	753,267,975.38	7,218,689.65	–	2,691,144.46	–	–	763,177,809.49
(1) Provision	753,267,975.38	7,218,689.65	–	2,691,144.46	–	–	763,177,809.49
3. Reductions	3,896,811,774.57	14,867.26	1,647,622.58	–	–	–	3,898,474,264.41
(1) Disposals (Note 1)	3,896,811,774.57	14,867.26	1,647,622.58	–	–	–	3,898,474,264.41
4. Closing balance (Unaudited)	13,608,788,133.87	71,889,097.92	–	35,297,524.16	30,340,214.57	125,381,889.76	13,871,696,860.28
III. Provision for impairment							
1. Opening balance (Audited)	4,034,599,325.54	3,919,234.42	–	–	38,526,485.43	40,311,513.41	4,117,356,558.80
2. Reductions (Note 1)	552,000,000.00	–	–	–	–	–	552,000,000.00
3. Closing balance (Unaudited)	3,482,599,325.54	3,919,234.42	–	–	38,526,485.43	40,311,513.41	3,565,356,558.80
IV. Carrying amount							
1. Closing balance (Unaudited)	24,269,508,944.12	41,616,683.72	–	180,581,494.38	–	–	24,491,707,122.22
2. Opening balance (Audited)	24,694,081,482.66	44,011,761.40	–	183,272,638.84	–	–	24,921,365,882.90

Note 1: The decrease in disposal and impairment provisions during the current period is mainly attributable to the expiration of the Shui Guan Expressway operation term. The Group completed the handover in accordance with the regulations and requirements of the transportation authorities.

Note 2: For the six months ended 30 June 2026, both the amount of intangible assets amortization and the amount included in profit or loss was RMB763,177,809.49 (for the six months ended 30 June 2025: RMB875,034,362.38).

Note 3: For the six months ended 30 June 2026, the Group capitalized borrowing costs on intangible assets amounting to RMB299,565.11 (for the six months ended 30 June 2025: nil).

(2) As at 30 June 2026, the Group had no land use rights for which the certificate of property has not been obtained.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets (Continued)

(3) Details of franchise rights

RMB

Item	Cost	Opening balance (Audited)	Additions	Reductions	Amortization	Impairment	Closing balance (Unaudited)	Accumulated amortization	Provision for impairment
I. Franchise rights associated with toll roads									
Outer Ring Expressway	8,203,515,917.73	6,966,193,643.13	220,646,089.82	-	96,062,588.82	-	7,090,777,144.13	1,112,738,773.60	-
Coastal Expressway Shenzhen Section	10,086,278,346.00	5,390,751,650.58	-	-	170,912,521.33	-	5,219,839,129.25	2,228,203,922.14	2,638,235,294.61
Qinglian Expressway	9,435,035,683.60	4,567,458,465.06	-	-	239,776,229.65	-	4,327,682,235.41	4,487,353,448.19	620,000,000.00
Airport-Heao Expressway	7,110,836,738.23	3,300,404,645.57	190,036,808.08	-	54,862,567.64	-	3,435,578,886.01	3,675,257,852.22	-
Changsha Ring Road	617,443,737.67	267,492,707.30	3,069,378.86	-	23,146,876.23	-	247,415,209.93	370,028,527.74	-
Meiguan Expressway	604,588,701.64	46,006,486.76	-	-	18,402,594.72	-	27,603,892.04	576,984,809.60	-
Longda Expressway	251,559,214.13	21,617,344.27	-	-	5,895,639.36	-	15,721,704.91	235,837,509.22	-
Shuiguan Expressway	-	15,460,821.42	-	-	15,460,821.42	-	-	-	-
Sub-total	36,309,258,339.00	20,575,385,764.09	413,752,276.76	-	624,519,839.17	-	20,364,618,201.68	12,686,404,842.71	3,258,235,294.61
II. Franchise rights associated with kitchen waste disposal									
Kitchen waste disposal of Shenzhen Expressway Bioland Environmental Protection Technologies Corp., Ltd. ("Bioland Company")	3,548,996,012.92	2,794,108,676.56	201,724.30	72,881,386.72	74,992,291.00	-	2,646,436,723.14	678,195,258.85	224,364,030.93
Kitchen waste disposal of Guangming	850,904,990.05	811,284,477.48	-	12,383,396.75	28,365,768.72	-	770,535,312.01	80,369,678.04	-
Kitchen waste disposal of Shaoyang	320,120,861.20	303,200,405.68	-	-	5,353,903.68	-	297,846,502.00	22,274,359.20	-
Kitchen waste disposal of Lisai Environmental Protection	279,561,465.13	165,468,011.31	-	-	18,637,410.12	-	146,830,601.19	132,730,863.94	-
Sub-total	4,999,583,329.30	4,074,061,571.03	201,724.30	85,264,783.47	127,349,373.52	-	3,861,649,138.34	913,570,160.03	224,364,030.93
III. Other franchise rights									
Shenzhen Guangming welfare institute project	44,788,019.98	37,790,736.13	6,219.25	-	1,187,110.77	-	36,609,844.61	8,178,175.37	-
Shenzhen Guangming Community Integrated Service Center Project	7,266,715.25	6,843,411.41	-	-	211,651.92	-	6,631,759.49	634,955.76	-
Sub-total	52,054,735.23	44,634,147.54	6,219.25	-	1,398,762.69	-	43,241,604.10	8,813,131.13	-
Total	**41,360,896,403.53**	**24,694,081,482.66**	**413,960,220.31**	**85,264,783.47**	**753,267,975.38**	**-**	**24,269,508,944.12**	**13,608,788,133.87**	**3,482,599,325.54**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

(1) Cost of goodwill

RMB

Name of investee	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
Shenzhen Investment Holdings International Capital Holding Infrastructure Company Limited ("SIHICH")	202,893,131.20	–	–	**202,893,131.20**
Nanjing Wind Power Technology Co., Ltd. ("Nanjing Wind Power")	156,039,775.24	–	–	**156,039,775.24**
Total	358,932,906.44	–	–	**358,932,906.44**

(2) Provision for impairment of goodwill

RMB

Name of investee	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
SIHICH	202,893,131.20	–	–	**202,893,131.20**
Nanjing Wind Power	156,039,775.24	–	–	**156,039,775.24**
Total	358,932,906.44	–	–	**358,932,906.44**

(3) Information about the asset group or a set of asset groups to which the goodwill is allocated

Name	Composition of the asset group or a set of asset groups to which it is allocated and its basis	Operating segment to which it is allocated and its basis	Is it consistent with that of the prior year
SIHICH	Bay Area Development asset group/ Generated from acquisition of the asset group	Toll road	Yes
Nanjing Wind Power	Wind turbines manufacturing asset group/ Generated from acquisition of the asset group	Environmental protection	Yes

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB

Item	Closing balance (Unaudited)		Opening balance (Audited)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provisions (Note 1)	**179,788,442.05**	**39,665,523.65**	200,445,347.12	47,156,254.63
Expenses accrued but not paid	**145,703,104.40**	**36,425,776.10**	121,726,565.84	30,431,641.46
Employee benefits accrued but not paid	**133,379,613.36**	**33,344,903.34**	120,178,557.12	30,044,639.28
Compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Nanguang Expressway, Yanba Expressway and Yanpai Expressway ("Three Expressways") (Note 2)	**75,204,931.35**	**18,801,232.84**	98,544,931.35	24,636,232.84
Adjustments to fair values of net assets of merged enterprises such as Changsha Shenchang High Speed Trunk Road Co., Ltd. in Changsha, Hunan ("Shenchang Company"), etc.	**70,922,492.72**	**17,730,623.18**	78,846,596.67	19,711,649.17
Impairment losses of assets	**61,643,455.44**	**9,577,005.26**	61,643,455.44	9,577,005.26
Impairment and amortization of franchise rights of Coastal Expressway	**54,156,644.36**	**13,539,161.09**	95,872,026.20	23,968,006.55
Bad debt provision	**50,636,678.37**	**10,832,235.89**	48,636,723.97	9,718,525.78
Amortization of other franchise rights	**43,941,794.68**	**10,985,448.67**	79,347,711.04	19,836,927.76
Compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Longda Expressway (Note 2)	**38,857,279.51**	**9,714,319.88**	56,929,914.97	14,232,478.71
Meiguan Company – property relocation compensation (Note 3)	**34,047,240.56**	**8,511,810.14**	35,343,842.88	8,835,960.72
Lease liabilities	**26,862,780.92**	**6,302,539.12**	29,564,087.22	6,153,081.95
Compensation for operating expenses of newly-built road ramp on Meiguan Expressway (Note 4)	**9,810,294.99**	**2,452,573.75**	16,350,491.32	4,087,622.83
Compensation for demolition costs of old toll stations on Three Expressways and Longda Expressway	**7,167,433.92**	**1,791,858.48**	7,176,461.64	1,794,115.41
Interest on capital reduction receivable from United Land Company (Note 5)	**6,904,230.76**	**1,726,057.69**	7,167,160.80	1,791,790.20
Deductible losses	**4,483,639.56**	**1,120,909.89**	4,483,639.56	1,120,909.89
Others	**32,477,631.72**	**8,119,407.93**	52,392,554.80	8,254,834.51
Total	**975,987,688.67**	**230,641,386.90**	1,114,650,067.94	261,351,676.95

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred tax assets/deferred tax liabilities (Continued)

(1) Deferred tax assets before offsetting (Continued)

Note 1: It represents the deferred tax assets recognized by highway companies in Guangdong Province based on provisions during the expected future operating periods, and the deferred tax assets accrued by Bioland Company, a subsidiary, for provisions recognized for subsequent expenditures of kitchen waste franchise project.

Note 2: The Company received compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Three Expressways and Longda Expressway, and recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount.

Note 3: Meiguan Company, a subsidiary of the Company, recognized the future relocation property compensated by United Land Company, an associate of the Group, as other non-current assets. Considering the impact of the unrealized profits of the associate, the Group recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount of other non-current assets recognized.

Note 4: In 2015, the Group received a compensation for operating expenses of newly-built toll station on Meiguan Expressway, and recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount.

Note 5: United Land Company capitalized the interest on capital reduction payable to the Company. Considering the impact of the unrealized profits of the associate, the Group recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount based on its shareholding ratio of 34.30%.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred tax assets/deferred tax liabilities (Continued)

(2) Deferred tax liabilities before offsetting

RMB

Item	Closing balance (Unaudited)		Opening balance (Audited)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not involving entities under common control				
– Guangdong Qinglian Highway Development Co., Ltd. ("Qinglian Company")	**389,854,294.00**	**94,158,766.59**	411,424,712.44	99,551,371.20
– Bioland Company	**315,053,960.47**	**76,942,239.75**	423,535,075.95	104,062,518.62
– Shenzhen Expressway Co., Ltd. Airport-Heao Branch	**146,206,589.72**	**36,551,647.43**	178,875,091.80	44,718,774.94
– Lisai Environmental Protection	**108,181,001.73**	**16,227,150.26**	116,006,740.81	17,401,011.12
– Shenzhen-Shanwei Special Cooperation Zone Qiantai Technology Co., Ltd. ("Qiantai Company")	**70,036,979.13**	**10,505,546.87**	71,253,879.00	10,688,081.85
– Baotou Nanfeng Wind Power Technology Co., Ltd. ("Baotou Nanfeng")	**24,413,106.40**	**6,103,276.60**	25,290,734.08	6,322,683.52
– Shenzhen Expressway New Energy Holding Co., LTD. ("New Energy Company")	**11,051,409.32**	**2,762,852.33**	11,531,280.92	2,882,820.23
– Shenzhen Qinglong Expressway Co., Ltd. ("Qinglong Company")	**–**	**–**	9,494,315.69	2,373,578.93
Taxes on dividends and bonuses of foreign subsidiary	**2,275,892,378.60**	**113,794,618.93**	2,534,116,100.60	126,705,805.03
Appreciation in the valuation of non-current financial assets	**515,767,105.66**	**125,513,675.86**	667,865,658.01	163,334,660.96
Amortization of franchise rights (Note)	**148,428,817.88**	**37,107,204.47**	124,379,026.28	31,094,756.57
Compensation for valuation adjustment mechanism	**117,904,214.77**	**25,413,968.06**	117,904,214.77	25,413,968.06
Right-of-use assets	**25,311,808.50**	**6,065,656.20**	28,805,012.04	7,136,773.94
Others	**2,521,093,435.84**	**299,566,886.84**	2,333,517,121.52	322,484,263.26
Total	**6,669,195,102.02**	**850,713,490.19**	7,053,998,963.91	964,171,068.23

Note: The methods for amortization of franchise rights associated with toll roads are inconsistent in accounting (traffic volume method) and taxation (straight-line method), resulting in temporary differences with deferred tax liability recognized.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred tax assets/deferred tax liabilities (Continued)

(3) Deferred tax assets or liabilities presented on net basis after offsetting

RMB

Item	Offsetting amount of deferred tax assets and liabilities at the end of the current period	Closing balance of deferred tax assets or liabilities after offsetting (Unaudited)	Offsetting amount of deferred tax assets and liabilities at the end of the prior year	Opening balance of deferred tax assets or liabilities after offsetting (Audited)
Deferred tax assets	**(136,129,795.57)**	**94,511,591.33**	(154,886,331.48)	106,465,345.47
Deferred tax liabilities	**(136,129,795.57)**	**714,583,694.62**	(154,886,331.48)	809,284,736.75

(4) Details of unrecognized deferred tax assets

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Deductible losses	**2,256,444,905.78**	2,282,682,386.75
Deductible temporary differences	**1,822,671,771.27**	2,000,126,623.51
Total	**4,079,116,677.05**	4,282,809,010.26

(5) Deductible losses for which deferred tax assets are not recognized will expire in the following years

RMB

Year	Closing balance (Unaudited)	Opening balance (Audited)
2026	**–**	255,684,084.71
2027	**453,029,634.37**	444,378,588.81
2028	**582,580,912.10**	582,940,747.08
2029	**564,508,994.96**	564,508,994.96
2030	**388,762,160.45**	435,169,971.19
2031	**267,563,203.90**	–
Total	**2,256,444,905.78**	2,282,682,386.75

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Other non-current assets

RMB

Item	Closing balance (Unaudited)			Opening balance (Audited)		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Dividends receivable pending capital transfer (Note 1)	**798,699,225.00**	**–**	**798,699,225.00**	–	–	–
Contract assets over one year (Note 2)	**382,599,993.62**	**–**	**382,599,993.62**	814,056,412.18	–	814,056,412.18
Input tax to be deducted over one year	**95,510,614.93**	**–**	**95,510,614.93**	107,210,989.73	–	107,210,989.73
Others	**2,779,680.40**	**–**	**2,779,680.40**	4,288,931.46	–	4,288,931.46
Total	**1,279,589,513.95**	**–**	**1,279,589,513.95**	925,556,333.37	–	925,556,333.37

Note 1: In accordance with the shareholders' resolution of GuangshenZhu Highway Co., Ltd. dated June 2026, the company intends to distribute profits to the Company's subsidiary, Hopewell China Development in the form of capital contribution. As of the end of the reporting period, the aforementioned capitalization has not yet been completed; therefore, the corresponding amount of dividend receivable has been reclassified to other non-current assets.

Note 2: It mainly includes the contract assets corresponding to the toll fee revenue recognized by the Group based on relevant documents issued by Guangdong Provincial Transportation Management Department.

22. Assets with ownership or use right restricted

RMB

Item	Closing balance (Unaudited)				Opening balance (Audited)			
	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash at banks and on hand	**444,581,961.07**	**444,581,961.07**	**Note 1**	**Note 1**	407,072,375.92	407,072,375.92	Note 1	Note 1
Intangible assets – franchise rights	**23,766,754,496.90**	**12,896,025,930.99**	**Pledge**	**Pledge for borrowings**	28,341,913,538.05	13,490,028,806.35	Pledge	Pledge for borrowings
Total	**24,211,336,457.97**	**13,340,607,892.06**			28,748,985,913.97	13,897,101,182.27		

Note 1: Refer to Note V, 1 for details.

Note 2: In addition to those mentioned above, the Group pledged with the 100% equity and charging rights to electric charge of Qianxin Company, the 100% equity and charging rights to electric charge of Qianzhi Company, the 100% equity and charging rights to electric charge of Qianhui Company, the equity of kitchen waste disposal projects of certain subsidiaries of Bioland Company, and the charging rights to electric charge of Yongcheng Zhuneng and all subsidiary under Baotou Nanfeng, all of which are indirect subsidiaries of the Company, as security for borrowings.

Note 3: The balance of principal of the bank borrowings obtained by the Group through mortgages and pledges of the aforesaid assets totaled RMB5,453,785,560.95.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Short-term borrowings

(1) Categories of short-term borrowings

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Credit borrowings	**3,366,771,911.11**	2,358,185,631.31
Guaranteed borrowings	**485,873,761.21**	997,905,756.76
Total	**3,852,645,672.32**	3,356,091,388.07

(2) Details of guaranteed borrowings

RMB

Name of entity	Closing balance (Unaudited)	Guaranteed by
CMB Wing Lung Bank Hong Kong Branch	**225,523,042.37**	Bay Area Development
Bank of China (Hong Kong) Limited	**173,567,163.21**	Bay Area Development
HSBC Hong Kong	**86,783,555.63**	Bay Area Development
Total	**485,873,761.21**	

24. Transactional financial liabilities

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)	Reason and basis for designation
Obligation to pay the difference	270,588,092.75	–	270,588,092.75	**–**	N/A
Total	270,588,092.75	–	270,588,092.75	**–**	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Transactional financial liabilities (Continued)

Note: In January 2022, the Group acquired the 100% equity interest in SIHICH held by Shenzhen Investment Holdings International Capital Holding Company Limited and assumed the obligation to make up the difference for CMF Global Quantitative Multi-Asset Segregated Portfolio Company and CMF Global Quantitative Stable Segregated Portfolio (collectively, "CMF Global"). In addition, the Group renewed such obligation to 17 August 2028 or earlier maturity date as determined by the Company and either of Mei Wah Company and CMF Global in accordance with the written notice on Agreement for Make-Up of the Earnings during the Renewal Period or other covenants of the agreement. If CMF Global disposes of its 9.45% equity interest in Bay Area Development before 17 August 2028, the difference between the transfer price and the agreed investment cost of HKD1,075,713,016.54 will be made up by the Group. Meanwhile, during the Renewal Period, the portion of the annual investment return obtained by CMF Global through Bay Area Development that does not reach the agreed level will be made up by the Group. On 10 June 2026, the Group and Mei Hua Company notified CMF Global that the renewal period had been accelerated and would terminate earlier than originally scheduled. CMF Global confirmed in its reply that 10 June 2026 was the date of early termination. Subsequently, on 25 and 26 June 2026, CMF Global completed the transfer of equity interests with SIHICH and Shandong High-speed (Hong Kong) Investment Co., Ltd., with the settlement date being the exit date. As of 30 June 2026, the Group recognized a liability for the shortfall guarantee obligation amounting to RMB249,640,866.43 based on the above circumstances. Since this shortfall guarantee obligation has now expired and the related amounts have been finalized, the original financial liability has been derecognized. The related obligation has been reclassified as a financial liability measured at amortized cost and presented under "Other Payables" in accordance with its nature.

25. Bills payable

Presentation of bills payable

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Commercial acceptance bills	**453,896,729.29**	334,725,708.50
Total	**453,896,729.29**	334,725,708.50

As at 30 June 2026, the Group had no overdue bills payable.

26. Accounts payable

(1) Presentation of accounts payable

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Payables for construction projects, quality assurance deposits and margins	**1,460,939,872.30**	2,355,522,142.44
Payables for goods	**360,807,548.76**	366,226,825.97
Others	**154,328,353.01**	147,652,725.59
Total	**1,976,075,774.07**	2,869,401,694.00

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Accounts payable (Continued)

(2) Significant accounts payable aged over one year

RMB

Item	Closing balance (Unaudited)	Reason for failure in repayment or carry-forward
Payables for construction projects	**394,554,449.23**	The project funds remain unsettled
Payables for goods	**182,050,800.00**	The payments for goods remain unsettled
Total	**576,605,249.23**	

27. Contract liabilities

(1) Details of contract liabilities

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Advances from sales of goods	**29,645,544.94**	31,360,431.45
Advances from sales of real estate	**15,344,547.66**	12,512,694.97
Advances from sales of wind turbine	**5,410,833.00**	5,410,833.00
Advances from operating and management fees	**1,620,868.99**	868,152.79
Others	**6,998,553.81**	4,392,057.43
Total	**59,020,348.40**	54,544,169.64

(2) There is no amount with significant change in carrying amount during the period.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Employee benefits payable

(1) Presentation of employee benefits payable

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
I. Short-term wages	357,542,637.60	485,013,619.67	548,531,230.76	**294,025,026.51**
II. Post-employment benefits – defined contribution plans	9,529,893.28	60,824,192.38	64,417,138.70	**5,936,946.96**
Total	367,072,530.88	545,837,812.05	612,948,369.46	**299,961,973.47**

(2) Presentation of short-term benefits

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
I. Wages and salaries, bonuses, allowances and subsidies	328,477,821.18	334,365,823.59	389,638,150.45	**273,205,494.32**
II. Staff welfare	7,371,571.91	43,033,114.50	47,510,682.83	**2,894,003.58**
III. Social security contributions	740,006.86	17,235,818.56	17,684,822.06	**291,003.36**
Including: Medical insurance	593,300.70	14,062,494.42	14,408,749.72	**247,045.40**
Work injury insurance	96,413.58	1,980,201.93	2,048,869.07	**27,746.44**
Maternity insurance	50,292.58	1,193,122.21	1,227,203.27	**16,211.52**
IV. Housing funds	1,950,944.24	33,844,455.65	34,708,234.23	**1,087,165.66**
V. Labor union funds and employee education funds	10,744,112.05	9,503,046.48	10,792,634.23	**9,454,524.30**
VI. Others	8,258,181.36	47,031,360.89	48,196,706.96	**7,092,835.29**
Total	357,542,637.60	485,013,619.67	548,531,230.76	**294,025,026.51**

(3) Presentation of defined contribution plans

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
1. Basic pensions	3,005,984.95	46,127,812.04	46,772,457.04	**2,361,339.95**
2. Unemployment insurance	68,352.30	1,959,482.32	2,016,125.57	**11,709.05**
3. Enterprise annuities	6,455,556.03	12,736,898.02	15,628,556.09	**3,563,897.96**
Total	9,529,893.28	60,824,192.38	64,417,138.70	**5,936,946.96**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Employee benefits payable (Continued)

(3) Presentation of defined contribution plans (Continued)

The Group participates, as required, in the pension insurance and unemployment plan established by government institutions. According to such plans, the Group contributes monthly to such plans based on the regulations of the government institutions. Except for above monthly contributions, the Group does not assume further payment obligations. The related expenditures are either included in cost of related assets or charged to profit or loss for the period when they are incurred.

29. Taxes payable

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Enterprise income tax	**189,537,686.23**	195,725,030.87
VAT	**100,788,654.22**	117,710,310.03
Land appreciation tax	**22,616,525.20**	23,060,616.41
Property tax	**14,668,221.09**	5,978,807.06
City maintenance and construction tax	**3,011,127.18**	3,102,200.84
Educational surcharge	**2,380,689.98**	2,417,337.05
Others	**562,556.25**	4,082,096.39
Total	**333,565,460.15**	352,076,398.65

30. Other payables

30.1 Presentation of other payables

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Dividends payable	**717,916,277.64**	62,493,194.42
Other payables	**1,350,821,725.24**	1,196,109,975.85
Total	**2,068,738,002.88**	1,258,603,170.27

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Other payables (Continued)

30.2 Dividends payable

Presentation by category

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Ordinary share dividends	**703,422,111.08**	4,421,250.00
Perpetual bond dividends classified as equity instruments	**14,494,166.56**	58,071,944.42
Total	**717,916,277.64**	62,493,194.42

30.3 Other payables

(1) Presentation of other payables by nature

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Payables for Longli River Bridge project (Note)	**250,456,345.28**	250,393,047.48
Obligation to pay the difference (Note V, 24)	**249,640,866.43**	–
Payables for road maintenance	**146,774,903.24**	153,865,077.76
Payables for tender and performance deposits and warranty deposits	**142,080,187.58**	133,389,341.00
Project funds retained for construction management contracts	**110,152,442.52**	33,728,057.51
Accrued project expenditure and special administrative expenses	**91,939,505.76**	141,968,929.69
Payables to related parties (Note XI, 6(2))	**55,019,016.52**	137,110,662.77
Payables for provincial toll station cancellation project	**29,182,658.08**	29,182,658.08
Receipts of liquidated damages for equity transfer of Guizhou Xinhe Lifu Real Estate Development Co., Ltd.	**20,412,000.00**	20,412,000.00
Payables for agent-construction of Coastal Expressway Phase II Project	**19,378,599.38**	19,378,599.38
Payables for mechanical and electrical costs	**14,197,293.09**	35,911,510.08
Payables for independent costs of agent-construction projects	**10,915,545.35**	10,915,545.35
Payables for country road construction and management services in Hunan Province	**3,041,574.14**	3,041,574.14
Payables for equity acquisition	**2,700,000.00**	6,475,000.00
Payables for subscription funds and down deposits for development property sales	**2,098,000.00**	2,043,000.00
Payables for demolition of old stations	**2,215.32**	6,273,174.30
Others	**202,830,572.55**	212,021,798.31
Total	**1,350,821,725.24**	1,196,109,975.85

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Other payables (Continued)

30.3 Other payables (Continued)

(1) Presentation of other payables by nature (Continued)

Note: Guizhou Guishen Investment Development Company Limited ("Guishen Company"), a subsidiary of the Company, has received the receivables for construction of Longli River Bridge project, and the payment was deposited into a jointly-managed account established in the name of Guishen Company. Pursuant to the account supervision agreement, the funds may only be freely disposed of by Guishen Company upon fulfillment of the stipulated conditions.

(2) Significant other payables aged over one year

As at 30 June 2026, the Group had no significant other payables aged over one year.

31. Non-current liabilities due within one year

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Long-term borrowings due within one year (Note V, 33)	**1,622,347,398.75**	1,501,604,093.38
Including: Credit borrowings	**883,754,311.97**	758,505,055.54
Pledged borrowings	**469,980,189.71**	476,509,265.89
Guaranteed borrowings	**268,612,897.07**	266,589,771.95
Bonds payable due within one year (Note V, 34)	**5,816,934,162.06**	4,866,416,188.12
Lease liabilities due within one year (Note V, 35)	**17,697,702.24**	15,044,198.34
Total	**7,456,979,263.05**	6,383,064,479.84

32. Other current liabilities

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Output tax to be transferred	**31,714,267.22**	35,552,458.99
Ultra-short-term financing bonds	**–**	1,517,142,451.70
Total	**31,714,267.22**	1,552,694,910.69

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Long-term borrowings

Categories of long-term borrowings

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)	Range of interest rate
Credit borrowings	**5,215,444,231.03**	5,366,647,595.05	2.19%-2.79%
Pledged borrowings	**4,590,949,974.17**	4,924,000,519.29	2.15%-2.65%
Guaranteed borrowings	**1,327,755,000.00**	1,428,670,000.00	2.20%-2.40%
Guaranteed and pledged borrowings	**543,363,364.58**	566,944,591.18	2.55%-3.25%
Guaranteed, mortgage and pledged borrowings	**319,472,222.20**	333,922,222.20	2.70%-3.10%
Accrued interest	**7,430,970.64**	8,634,236.44	
Total	**12,004,415,762.62**	12,628,819,164.16	
Less: Long-term borrowings due within one year (Note V, 31)	**1,622,347,398.75**	1,501,604,093.38	
Long-term borrowings due after one year	**10,382,068,363.87**	11,127,215,070.78	

34. Bonds payable

(1) Categories of bonds payable

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Long-term corporate bonds	**11,516,707,412.99**	10,107,248,624.37
Medium-term notes	**4,044,989,813.77**	4,052,713,639.84
Total	**15,561,697,226.76**	14,159,962,264.21
Less: Bonds payable due within one year (Note V, 31)	**5,816,934,162.06**	4,866,416,188.12
Bonds payable due after one year	**9,744,763,064.70**	9,293,546,076.09

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Bonds payable (Continued)

(2) Details of bonds payable

RMB

Name of bonds	Par value	Coupon rate (%)	Date of issuance	Maturity	Issued amount	Opening balance (Audited)	Issue amount in the current period	Accrual of interest by par value	Discount and issue fee amortization	Effects of foreign currency translation	Payment amount in the current period	Interest payable	Closing balance (Unaudited)	Is it in breach of contract
Long-term corporate bonds	USD 300,000,000.00	1.75	8 July 2021	5 years	2,156,520,000.00	2,125,367,576.52	-	18,187,912.71	1,875,208.04	(65,370,000.00)	18,714,745.25	17,206,243.59	2,061,345,952.02	No
Long-term corporate bonds	1,000,000,000.00	3.35	23 July 2021	5 years	1,000,000,000.00	1,014,087,340.60	-	16,750,000.02	295,261.80	-	-	31,173,611.27	1,031,132,602.42	No
Long-term corporate bonds	1,500,000,000.00	3.18	20 January 2022	7 years	1,500,000,000.00	1,543,373,333.57	-	23,851,125.00	296,874.02	-	47,702,250.00	21,333,506.25	1,519,819,082.59	No
Long-term corporate bonds	550,000,000.00	2.88	17 October 2023	3 years	550,000,000.00	552,940,476.08	-	7,933,345.26	197,823.90	-	-	11,151,504.58	561,071,645.24	No
Long-term corporate bonds	550,000,000.00	2.25	27 May 2024	3 years	550,000,000.00	557,155,596.56	-	6,190,314.12	89,535.99	-	12,375,583.73	1,205,703.93	551,059,862.94	No
Long-term corporate bonds	950,000,000.00	2.70	27 May 2024	10 years	950,000,000.00	964,526,717.99	-	12,825,604.98	44,580.39	-	25,651,209.91	2,493,867.73	951,745,693.45	No
Long-term corporate bonds	1,000,000,000.00	2.20	2 December 2024	5 years	1,000,000,000.00	1,001,230,241.39	-	11,000,518.86	80,256.30	-	-	12,833,938.67	1,012,311,016.55	No
Long-term corporate bonds	2,300,000,000.00	2.29	12 March 2025	5 years	2,300,000,000.00	2,348,567,341.66	-	18,739,495.03	181,565.99	-	52,672,484.43	16,094,370.24	2,314,815,918.25	No
Long-term corporate bonds (Note 1)	1,500,000,000.00	1.98	6 January 2026	5 years	1,500,000,000.00	-	1,500,000,000.00	14,438,181.04	(1,032,541.51)	-	-	14,438,181.04	1,513,405,639.53	No
Medium-term notes	1,000,000,000.00	2.89	22 May 2023	3 years	1,000,000,000.00	1,017,387,106.83	-	11,406,144.81	123,734.95	-	1,028,916,986.59	-	-	No
Medium-term notes	1,000,000,000.00	3.05	4 September 2023	5 years	1,000,000,000.00	1,009,303,032.65	-	15,250,251.78	82,330.44	-	-	24,993,468.23	1,024,635,614.87	No
Medium-term notes	500,000,000.00	2.16	21 October 2024	3 years	500,000,000.00	501,913,179.37	-	5,400,089.16	59,424.72	-	-	7,530,124.35	507,372,693.25	No
Medium-term notes	1,000,000,000.00	1.70	8 January 2025	3 years	1,000,000,000.00	1,016,062,873.72	-	8,500,140.36	152,949.63	-	17,000,280.66	8,169,579.40	1,007,715,683.05	No
Medium-term notes	500,000,000.00	1.70	8 January 2025	3 years	500,000,000.00	508,047,447.27	-	4,250,070.18	72,547.07	-	8,500,140.33	4,084,789.70	503,869,924.19	No
Medium-term notes (Note 2)	1,000,000,000.00	1.60	19 May 2026	3 years	1,000,000,000.00	-	1,000,000,000.00	1,866,697.49	(470,799.08)	-	-	1,866,697.49	1,001,395,898.41	No
Total						**14,159,962,264.21**	**2,500,000,000.00**	**176,589,890.80**	**2,048,752.65**	**(65,370,000.00)**	**1,211,533,680.90**	**174,575,586.47**	**15,561,697,226.76**	

Note 1: Corporate bonds

The Company was permitted to publicly issue corporate bonds with a face value of not more than RMB8 billion to professional investors upon approval of Shanghai Stock Exchange and registration by China Securities Regulatory Commission (Zheng Jian Xu Ke [2024] No. 576). On 6 January 2026, the Company completed the issuance of "26 Shen Gao 01", and the actual issuance scale was RMB1,500,000,000.00. The bond was issued at the rate of 1.98%. The term of the bond is 5 years, and the interest-bearing term is from 6 January 2026 to 6 January 2031. The bonds bear interest on a fixed interest basis, and the interest is repaid annually, with a lump sum repayment of principal at maturity.

Note 2: Medium-term notes

(1) On 19 May 2026, the Company issued the first phase of 2026 medium-term notes of RMB1,000,000,000.00, which bear a term of 3 years and interest at a rate of 1.60%. The value date is May 20, 2026, and the maturity date is May 20, 2029. The raised funds are intended to be used to repay the company's maturing debt financing instruments and supplement operating funds.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Lease liabilities

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Lease liabilities	**26,862,780.92**	29,564,087.22
Less: Lease liabilities included in non-current liabilities due within one year (Note V, 31)	**17,697,702.24**	15,044,198.34
Net amount	**9,165,078.68**	14,519,888.88

The analysis of the Group's lease liabilities based on the maturity period of the undiscounted remaining contractual obligations is as follows:

RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Closing balance (Unaudited)	18,228,033.16	6,242,472.80	3,178,572.65	135,227.06	27,784,305.67
Opening balance (Audited)	15,760,238.64	9,834,571.02	4,393,885.94	538,721.94	30,527,417.54

36. Long-term payables

(1) Presentation of long-term payables by nature

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Borrowings from associates and joint ventures (Note XI, 6(2))	**387,586,715.85**	387,586,715.85
Total	**387,586,715.85**	387,586,715.85
Less: Long-term payables due within one year	–	–
Long-term payables due after one year	**387,586,715.85**	387,586,715.85

37. Long-term employee benefits payable

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Other long-term employee benefits (Note)	**115,649,911.45**	115,649,911.45

Note: Other long-term employee benefits are the Group's long-term incentive bonuses.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Provisions

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Cost of services in the future (Note 1)	**130,639,832.31**	163,481,827.30
Subsequent expenditure on kitchen waste disposal project (Note 2)	**103,296,940.60**	90,067,583.23
Pending litigation or arbitration	**71,250,910.73**	77,618,869.83
Product quality assurance deposits	**1,289,459.95**	1,641,043.92
Total	**306,477,143.59**	332,809,324.28

Note 1: It represents the estimated cost of services of toll roads in the future accrued by the Group according to relevant government documents.

Note 2: It represents the expenditure expected to be incurred by the Group to maintain a certain service capacity of the kitchen waste disposal assets it holds or to maintain a certain state of use of these assets before they are handed over to the contract grantor.

39. Deferred revenue

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)	Reason
Government Grants	199,292,516.44	199,500.00	64,722,305.92	**134,769,710.52**	Receiving government grants related to income
Government Grants	31,613,669.02	450,000.00	3,833,800.99	**28,229,868.03**	Receiving government grants related to assets
Total	230,906,185.46	649,500.00	68,556,106.91	**162,999,578.55**	

40. Equity

RMB

Item	Opening balance (Audited)	Changes for the period					Closing balance (Unaudited)
		New shares issued	Bonus issue	Transfer from reserve	Others	Sub-total	
Equity	2,537,856,127.00	–	–	–	–	–	**2,537,856,127.00**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other equity instruments

(1) As at 30 June 2026, the specific information of the Group's outstanding perpetual bonds is as follows:

RMB

Item	Issue date	Accounting classification	Interest rate	Amount	Expiry day or renewal situation	Transfer conditions	General information of transfer
Perpetual corporate bonds – 25 Shen Gao Y1	16 April 2025	Other equity instruments	2.05%	1,000,000,000.00	3+N years	Nil	Nil
Perpetual corporate bonds – 25 Shen Gao Y2	16 April 2025	Other equity instruments	2.20%	1,000,000,000.00	5+N years	Nil	Nil
Perpetual corporate bonds – 25 Shen Gao Y3	13 May 2025	Other equity instruments	2.05%	1,000,000,000.00	3+N years	Nil	Nil
Perpetual corporate bonds – 25 Shen Gao Y4	13 May 2025	Other equity instruments	2.18%	1,000,000,000.00	5+N years	Nil	Nil

(2) Changes in the Group's outstanding perpetual bonds are as follows:

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
Perpetual bonds	4,000,000,000.00	–	–	**4,000,000,000.00**

42. Capital reserve

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
Share premium	8,420,731,560.40	34,181,148.39	198,691,026.09	**8,256,221,682.70**
Including: Contributions from investors	5,762,803,184.38	–	–	**5,762,803,184.38**
Business combination involving entities under common control	2,759,887,122.51	–	–	**2,759,887,122.51**
Acquisition of minority interests in subsidiaries (Note 1)	(100,947,225.16)	34,181,148.39	–	**(66,766,076.77)**
Capital injection in the investee (Note 2)	(1,011,521.33)	–	198,691,026.09	**(199,702,547.42)**
Other capital reserve (Note 3)	262,267,445.94	–	79,375,592.00	**182,891,853.94**
Total	8,682,999,006.34	34,181,148.39	278,066,618.09	**8,439,113,536.64**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Capital reserve (Continued)

Note 1: The increase in the share premium within the capital reserve of the Group during the current period is due to the acquisition of minority equity interests in Bay Area Development by the Group's subsidiary, Shenzhen Investment and Control Infrastructure.

Note 2: The decrease in share premium within the capital reserve of the Group during the current period is attributable to the passive dilution effect resulting from the additional issuance of shares by the Group's subsidiary, Bay Area Development.

Note 3: The Group decreased the capital reserve by RMB79,375,592.00 in proportion to its shareholdings based on the change in capital reserve of joint ventures and associates held.

43. Other comprehensive income

RMB

Item	Opening balance (Audited)	Amount incurred in the current period: Pre-tax amount incurred during the period	Less: Amount included in other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: Income tax expenses	Amount attributable to the Company, net of tax	Amount attributable to minority shareholders, net of tax	Closing balance (Unaudited)
I. Other comprehensive income that may not be reclassified to profit or loss	-	-	-	-	-	-	-
Including: Changes from remeasurement of defined benefit plans	-	-	-	-	-	-	-
II. Other comprehensive income that may be reclassified to profit or loss	(715,756,314.51)	(19,552,696.51)	-	-	(26,873,246.99)	7,320,550.48	(742,629,561.50)
Including: Appreciation of initial equity interest upon business combination	893,132,218.74	-	-	-	-	-	893,132,218.74
Other comprehensive income that will be reclassified to profit or loss under the equity method (Note V, 12)	19,539,042.84	(24,921,009.10)	-	-	(24,921,009.10)	-	(5,381,966.26)
Translation differences of financial statements denominated in foreign currencies	(1,628,833,756.09)	5,368,312.59	-	-	(1,952,237.89)	7,320,550.48	(1,630,785,993.98)
Others	406,180.00	-	-	-	-	-	406,180.00
Total other comprehensive income	(715,756,314.51)	(19,552,696.51)	-	-	(26,873,246.99)	7,320,550.48	(742,629,561.50)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Surplus reserve

RMB

Item	Opening balance (Audited)	Additions	Reductions	Closing balance (Unaudited)
Statutory surplus reserve	3,183,826,472.02	–	–	**3,183,826,472.02**
Discretionary surplus reserve	713,975,015.92	308,719,707.91	–	**1,022,694,723.83**
Total	3,897,801,487.94	308,719,707.91	–	**4,206,521,195.85**

In accordance with the *Company Law of the People's Republic of China*, the Company's Articles of Association and the resolution of the General Meeting of Shareholders, the Company should appropriate 10% of the net profit for the year to the statutory surplus reserve, where the appropriation can cease when the statutory surplus reserve reaches 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase capital after approval from the appropriate authorities. For the six months ended 30 June 2026, the Company has not appropriated statutory surplus reserve (for the six months ended 30 June 2025: RMB130,291,842.90).

The amount of the Company's discretionary surplus reserve shall be proposed by the Board of Directors and subject to the approval at the General Meeting of Shareholders. The discretionary surplus reserve can be used to make up for previous years' loss or increase capital upon approval. For the six months ended 30 June 2026, the Company has appropriated discretionary surplus reserve of RMB308,719,707.91 (for the six months ended 30 June 2025: RMB260,583,685.86).

45. Undistributed profits

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance of undistributed profits at the end of the prior period before adjustment	**8,628,237,805.30**	8,586,181,562.92
Opening balance of undistributed profits after adjustment	**8,628,237,805.30**	8,586,181,562.92
Add: Net profit attributable to shareholders of the Company in the current period	**918,846,192.90**	1,149,351,721.66
Less: Appropriation of statutory surplus reserve	**–**	130,291,842.90
Appropriation of discretionary surplus reserve	**308,719,707.91**	260,583,685.86
Ordinary share dividends payable (Note)	**619,236,894.99**	619,236,894.99
Dividends paid to other equity instruments	**41,222,222.14**	97,183,055.53
Closing balance of undistributed profits	**8,577,905,173.16**	8,628,237,805.30

Note: According to the resolution of the General Meeting of Shareholders on 26 June 2026, the Company distributed 2025 cash dividends to all shareholders at RMB0.244 per share. Based on the 2,537,856,127 shares issued, cash dividends amounting to RMB619,236,894.99 were distributed in total. As of 30 June 2026, the above dividends have not yet been paid.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Operating income and cost of services

(1) Details of operating income and cost of services

RMB

Item	For the six months ended 30 June 2026 (Unaudited) Income	For the six months ended 30 June 2026 (Unaudited) Cost	For the six months ended 30 June 2025 (Unaudited) Income	For the six months ended 30 June 2025 (Unaudited) Cost
Main business – Toll road	**2,233,026,602.47**	**1,173,373,007.52**	2,449,431,323.46	1,241,552,298.96
Main business – Environmental protection	**730,266,607.42**	**563,900,865.37**	749,928,961.95	577,890,278.40
– Operation of kitchen waste disposal projects	**383,034,803.54**	**332,563,872.99**	365,542,540.70	320,162,365.09
– Wind power	**264,026,687.45**	**133,663,591.29**	288,932,488.11	144,392,922.71
– Sales of kitchen waste disposal equipment	**9,047,725.77**	**8,198,676.06**	937,929.20	1,344,644.32
– Construction of kitchen waste disposal projects	**1,316,832.95**	**7,280,967.35**	23,795,923.49	20,083,928.30
– Others	**72,840,557.71**	**82,193,757.68**	70,720,080.45	91,906,417.98
Other services	**689,560,188.83**	**585,550,051.87**	719,195,055.33	650,891,547.98
– Construction service under franchise arrangements	**411,843,660.13**	**385,790,409.72**	460,632,138.04	442,636,631.92
– Entrusted construction and management services	**103,629,954.32**	**93,353,498.17**	135,601,842.17	122,980,053.89
– Real estate development	**38,182,419.32**	**30,140,909.48**	8,486,280.37	7,162,520.67
– Financial leasing	**24,596,709.56**	**19,553,804.32**	27,479,368.94	24,862,077.09
– Advertising	**–**	**1,342,283.72**	260,139.59	1,910,020.95
– Others	**111,307,445.50**	**55,369,146.46**	86,735,286.22	51,340,243.46
Total	**3,652,853,398.72**	**2,322,823,924.76**	3,918,555,340.74	2,470,334,125.34

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Operating income and cost of services (Continued)

(2) Breakdown of operating income

For the six months ended 30 June 2026

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	2,116,117,310.29	189,808,719.07	87,061,958.35	24,596,709.56	411,843,660.13	105,356,123.35	2,934,784,480.75
Hunan Province	116,909,292.18	14,434,645.94	16,567,995.97	-	-	5,951,322.15	153,863,256.24
Guizhou Province	-	46,743,950.50	-	-	-	38,182,419.32	84,926,369.82
Hubei Province	-	7,007,163.28	-	-	-	-	7,007,163.28
Jiangsu Province	-	24,931,759.06	-	-	-	-	24,931,759.06
Inner Mongolia Autonomous Region	-	107,330,421.87	-	-	-	-	107,330,421.87
Guangxi Zhuang Autonomous Region	-	61,872,790.44	-	-	-	-	61,872,790.44
Shandong Province	-	16,153,694.41	-	-	-	-	16,153,694.41
Zhejiang Province	-	14,971,016.04	-	-	-	-	14,971,016.04
Sichuan Province	-	25,656,787.13	-	-	-	-	25,656,787.13
Jiangxi Province	-	34,219,394.44	-	-	-	-	34,219,394.44
Hebei Province	-	9,812,690.18	-	-	-	-	9,812,690.18
Xinjiang Uygur Autonomous Region	-	148,149,136.55	-	-	-	-	148,149,136.55
Henan Province	-	11,517,032.29	-	-	-	-	11,517,032.29
Ningxia Hui Autonomous Region	-	11,588,430.45	-	-	-	-	11,588,430.45
Anhui Province	-	6,068,975.77	-	-	-	-	6,068,975.77
Total	2,233,026,602.47	730,266,607.42	103,629,954.32	24,596,709.56	411,843,660.13	149,489,864.82	3,652,853,398.72

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of revenue recognition							
Revenue recognized at a point in time	2,233,026,602.47	728,949,774.47	-		-	55,993,768.75	3,017,970,145.69
Revenue recognized over time	-	1,316,832.95	103,629,954.32		411,843,660.13	93,496,096.07	610,286,543.47
Total	2,233,026,602.47	730,266,607.42	103,629,954.32		411,843,660.13	149,489,864.82	3,628,256,689.16

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Operating income and cost of services (Continued)

(2) Breakdown of operating income (Continued)

For the six months ended 30 June 2025

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	2,327,085,762.49	170,409,827.25	120,486,967.72	27,479,368.94	453,840,634.06	82,762,509.13	3,182,065,069.59
Hunan Province	122,345,560.97	18,247,071.90	15,114,874.45	–	–	4,143,429.13	159,850,936.45
Guizhou Province	–	47,363,282.17	–	–	1,254,909.27	8,575,767.92	57,193,959.36
Hubei Province	–	6,456,038.35	–	–	98,847.33	–	6,554,885.68
Jiangsu Province	–	21,986,136.76	–	–	–	–	21,986,136.76
Inner Mongolia Autonomous Region	–	125,816,622.72	–	–	–	–	125,816,622.72
Guangxi Zhuang Autonomous Region	–	58,052,267.12	–	–	4,889,643.33	–	62,941,910.45
Shandong Province	–	17,485,410.83	–	–	60,530.54	–	17,545,941.37
Zhejiang Province	–	21,636,708.96	–	–	–	–	21,636,708.96
Sichuan Province	–	23,162,563.39	–	–	–	–	23,162,563.39
Jiangxi Province	–	50,781,463.25	–	–	407,805.70	–	51,189,268.95
Hebei Province	–	9,602,334.21	–	–	69,000.00	–	9,671,334.21
Xinjiang Uygur Autonomous Region	–	157,800,936.98	–	–	–	–	157,800,936.98
Henan Province	–	8,146,404.99	–	–	–	–	8,146,404.99
Ningxia Hui Autonomous Region	–	9,900,803.91	–	–	–	–	9,900,803.91
Anhui Province	–	3,081,089.16	–	–	10,767.81	–	3,091,856.97
Total	**2,449,431,323.46**	**749,928,961.95**	**135,601,842.17**	**27,479,368.94**	**460,632,138.04**	**95,481,706.18**	**3,918,555,340.74**

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of revenue recognition							
Revenue recognized at a point in time	2,449,431,323.46	703,684,151.94	–		–	29,031,972.53	3,182,147,447.93
Revenue recognized over time	–	46,244,810.01	135,601,842.17		460,632,138.04	66,189,594.06	708,668,384.28
Total	**2,449,431,323.46**	**749,928,961.95**	**135,601,842.17**		**460,632,138.04**	**95,221,566.59**	**3,890,815,832.21**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Operating income and cost of services (Continued)

(3) Breakdown of cost of services

For the six months ended 30 June 2026

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	1,130,066,401.04	178,796,710.54	74,877,817.12	19,553,804.32	385,790,409.72	56,711,430.18	1,845,796,572.92
Hunan Province	43,306,606.48	13,426,006.49	15,514,285.83	-	-	-	72,246,898.80
Guizhou Province	-	41,945,933.00	2,961,395.22	-	-	30,140,909.48	75,048,237.70
Hubei Province	-	5,547,837.53	-	-	-	-	5,547,837.53
Jiangsu Province	-	20,545,700.17	-	-	-	-	20,545,700.17
Inner Mongolia Autonomous Region	-	62,038,913.94	-	-	-	-	62,038,913.94
Guangxi Zhuang Autonomous Region	-	59,279,964.04	-	-	-	-	59,279,964.04
Shandong Province	-	19,247,886.56	-	-	-	-	19,247,886.56
Zhejiang Province	-	16,016,103.72	-	-	-	-	16,016,103.72
Sichuan Province	-	13,601,074.85	-	-	-	-	13,601,074.85
Jiangxi Province	-	27,852,152.59	-	-	-	-	27,852,152.59
Hebei Province	-	9,390,262.15	-	-	-	-	9,390,262.15
Xinjiang Uygur Autonomous Region	-	69,838,568.94	-	-	-	-	69,838,568.94
Henan Province	-	7,552,135.46	-	-	-	-	7,552,135.46
Ningxia Hui Autonomous Region	-	12,606,731.15	-	-	-	-	12,606,731.15
Anhui Province	-	6,214,884.24	-	-	-	-	6,214,884.24
Total	1,173,373,007.52	563,900,865.37	93,353,498.17	19,553,804.32	385,790,409.72	86,852,339.66	2,322,823,924.76

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of cost recognition							
Cost recognized at a point in time	1,173,373,007.52	556,619,898.02	-		-	47,954,849.87	1,777,947,755.41
Cost recognized over time	-	7,280,967.35	93,353,498.17		385,790,409.72	38,897,489.79	525,322,365.03
Total	1,173,373,007.52	563,900,865.37	93,353,498.17		385,790,409.72	86,852,339.66	2,303,270,120.44

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Operating income and cost of services (Continued)

(3) Breakdown of cost of services (Continued)

For the six months ended 30 June 2025

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	1,195,431,376.11	191,416,333.72	108,014,169.88	24,862,077.09	435,845,127.94	53,250,264.41	2,008,819,349.15
Hunan Province	46,120,922.85	13,122,701.22	14,965,884.01	–	–	–	74,209,508.08
Guizhou Province	–	35,728,789.76	–	–	1,254,909.27	7,162,520.67	44,146,219.70
Hubei Province	–	6,983,933.54	–	–	98,847.33	–	7,082,780.87
Jiangsu Province	–	27,089,453.32	–	–	–	–	27,089,453.32
Inner Mongolia Autonomous Region	–	62,599,276.09	–	–	–	–	62,599,276.09
Guangxi Zhuang Autonomous Region	–	57,140,536.81	–	–	4,889,643.33	–	62,030,180.14
Shandong Province	–	16,234,671.48	–	–	60,530.54	–	16,295,202.02
Zhejiang Province	–	16,530,618.97	–	–	–	–	16,530,618.97
Sichuan Province	–	14,796,631.45	–	–	–	–	14,796,631.45
Jiangxi Province	–	37,339,790.67	–	–	407,805.70	–	37,747,596.37
Hebei Province	–	10,904,453.17	–	–	69,000.00	–	10,973,453.17
Xinjiang Uygur Autonomous Region	–	65,393,753.96	–	–	–	–	65,393,753.96
Henan Province	–	5,171,651.47	–	–	–	–	5,171,651.47
Ningxia Hui Autonomous Region	–	11,260,267.79	–	–	–	–	11,260,267.79
Anhui Province	–	6,177,414.98	–	–	10,767.81	–	6,188,182.79
Total	**1,241,552,298.96**	**577,890,278.40**	**122,980,053.89**	**24,862,077.09**	**442,636,631.92**	**60,412,785.08**	**2,470,334,125.34**

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of cost recognition							
Cost recognized at a point in time	1,241,552,298.96	534,885,058.26	–		–	40,630,612.29	1,817,067,969.51
Cost recognized over time	–	43,005,220.14	122,980,053.89		442,636,631.92	17,872,151.84	626,494,057.79
Total	**1,241,552,298.96**	**577,890,278.40**	**122,980,053.89**		**442,636,631.92**	**58,502,764.13**	**2,443,562,027.30**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Operating income and cost of services (Continued)

(4) Descriptions on performance obligations

The main businesses of the Group are toll highways, environmental protection, etc. Please refer to Note III, 30.

There is no major financing component in the revenue contract of the Group.

(5) Descriptions on allocation to remaining performance obligations

At the end of the period, the amount of contract liabilities corresponding to the performance obligations for which the Group has entered into a contract but which has not been fulfilled or completely fulfilled was RMB59,020,348.40, and the revenue will be recognized when the customer obtains control of the product.

47. General and administrative expenses

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Salaries and wages	**79,427,049.09**	100,838,725.74
Depreciation and amortization	**41,853,772.84**	41,065,903.42
Legal and advisory fees	**5,961,616.16**	5,531,658.90
Office building management fees	**6,452,668.24**	6,402,443.44
Office and communication charges	**4,627,489.90**	3,783,022.46
Audit fees	**3,005,020.49**	2,570,201.11
Stock exchange fees	**1,620,230.59**	2,649,942.47
Travel fees	**1,025,154.27**	638,471.16
Vehicle fees	**697,850.96**	618,201.28
Business entertainment fees	**130,815.73**	746,294.74
Others	**3,484,633.05**	3,664,289.37
Total	**148,286,301.32**	168,509,154.09

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Financial expenses

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest expenses	**375,681,438.55**	441,660,805.41
Including: Interest expenses on borrowings	**180,012,048.71**	243,667,367.51
Interest expenses on bonds payable	**181,351,628.59**	182,232,334.70
Unrecognized financing expenses of compensation for newly-built toll stations on Longda Expressway and Three Expressways	**5,786,810.04**	8,569,709.64
Interest expenses on lease liabilities	**447,399.45**	679,904.18
Interest expenses on provisions	**8,083,551.76**	6,511,489.38
Less: Interest income	**25,393,879.54**	41,894,579.99
Less: Interest capitalized	**299,565.11**	–
Including: Interest expenses capitalized	**396,888.89**	–
Interest income capitalized	**97,323.78**	–
Exchange gains	**(86,924,155.22)**	(16,280,941.04)
Others	**3,668,567.61**	6,420,307.54
Total	**266,732,406.29**	389,905,591.92

For the six months ended 30 June 2026, the Group had capitalized borrowing costs.

Details of interest income are listed as follows:

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest on deposits	**11,742,965.92**	25,875,665.85
Interest income recognized for compensation related to toll exemptions	**13,650,913.62**	16,018,914.14
Less: Interest income capitalized	**97,323.78**	–
Total	**25,296,555.76**	41,894,579.99

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Investment income

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Income from long-term equity investments under the equity method (Note V, 12)	**429,895,111.31**	393,180,168.95
Investment income from other non-current financial assets during the holding period	**11,645,842.89**	13,031,972.03
Investment income from financial products	**11,514,582.12**	5,650,003.81
Total	**453,055,536.32**	411,862,144.79

50. (Losses)/gains from changes in fair value

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Financial assets (liabilities) at FVTPL		
Including: Other non-current financial assets (Note V, 13)	**(152,098,552.41)**	69,109,749.24
Structured deposits	**33,503,095.27**	4,269,698.64
Obligation to pay the difference	**10,731,705.69**	3,041,582.64
Total	**(107,863,751.45)**	76,421,030.52

51. Credit impairment losses

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Impairment losses of accounts receivable (Note V, 3(2))	**(17,200,221.82)**	(16,524,333.33)
Impairment losses of other receivables (Note V, 5.3(3))	**(20,547,662.47)**	(44,068,756.90)
Impairment losses of long-term receivables (Note V, 11(2))	**(16,685,406.14)**	(14,052,469.73)
Total	**(54,433,290.43)**	(74,645,559.96)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Gains (losses) on impairment of assets

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Losses on decline in value of inventories (Note V, 6(2))	–	(8,839,387.24)
Impairment losses of fixed assets (Note V, 15(1))	–	(8,672,566.37)
Gain on impairment of contract assets (Note V, 7(3))	**21,908.61**	–
Total	**21,908.61**	(17,511,953.61)

53. Income tax expenses

(1) Classification of income tax expenses

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Current tax expenses	**270,552,674.28**	256,765,551.52
Deferred tax expenses	**(82,747,287.99)**	(32,112,561.32)
Total	**187,805,386.29**	224,652,990.20

(2) Reconciliation of income tax expenses to the accounting profit is as follows

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Total profit	**1,169,036,203.59**	1,255,312,119.50
Income tax expenses calculated at the statutory/applicable tax rate	**292,259,050.90**	313,828,029.88
Effect of different tax rates applicable to certain subsidiaries	**(3,419,568.30)**	(44,004,639.66)
Effect of income not subject to tax	**(98,674,261.86)**	(90,407,378.37)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the period	**20,503,734.98**	22,901,533.91
Effect of adjusting income tax of the previous year	**9,008,952.98**	21,791,444.61
Effect of costs, expenses and losses not deductible	**1,908,908.91**	543,999.83
Effect of using previously unrecognized deductible temporary differences	**(9,942,607.22)**	–
Effect of recognition of previously unrecognized deductible temporary differences	**(23,838,824.10)**	–
Income tax expenses	**187,805,386.29**	224,652,990.20

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Items in the statement of cash flows

(1) Cash relating to operating activities

Other cash received relating to operating activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Funds received for collection and payment on behalf of construction projects	**110,100,000.00**	10,666.52
Funds temporarily received	**35,978,356.77**	14,397,419.29
Margins received and recovered	**32,751,466.00**	36,448,128.82
Interest income	**9,112,390.21**	24,153,624.51
Government grants received	**1,595,658.85**	2,013,214.37
Refund of advance payment for purchases received	**–**	127,489,049.80
Others	**49,171,117.82**	8,978,797.07
Total	**238,708,989.65**	213,490,900.38

Other cash payments relating to operating activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Payment for agent-construction projects paid	**53,501,784.10**	12,201,966.55
Margins paid and refunded	**37,293,197.55**	35,562,743.19
Expenditures	**40,839,970.06**	38,255,742.00
Intermediary service fee	**5,317,569.01**	8,013,027.35
Withholding payments paid	**8,656,280.33**	12,066,262.34
Others	**38,946,163.38**	58,051,666.23
Total	**184,554,964.43**	164,151,407.66

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Items in the statement of cash flows (Continued)

(2) Cash relating to investing activities

Cash received relating to significant investing activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Structured deposits and certificates of time deposits recovered for the period	**5,140,000,000.00**	100,000,000.00
Dividend distributions from the investee received	**259,605,905.30**	231,105,617.62
Rents for equipment under finance lease received by Financial Leasing Company for the period	**100,360,842.95**	126,440,136.93
Total	**5,499,966,748.25**	457,545,754.55

Cash payments relating to significant investing activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Increase in structured deposits and certificates of time deposits for the period	**6,520,000,000.00**	2,980,000,000.00
Capital expenditures on Airport-Heao Expressway reconstruction and expansion project	**301,293,517.91**	1,026,818,542.19
Capital expenditures on Outer Ring projects	**443,695,662.57**	831,178,683.86
Payments made by Financial Leasing Company for the period for purchase of equipment under finance lease	**64,500,000.00**	68,729,046.00
Total	**7,329,489,180.48**	4,906,726,272.05

Other cash received relating to investing activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest income	**3,870,307.34**	6,912,863.29
Others	**2,000,000.00**	3,000,097.75
Total	**5,870,307.34**	9,912,961.04

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Items in the statement of cash flows (Continued)

(2) Cash relating to investing activities (Continued)

Other cash payments relating to investing activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Payment of performance bond for investment project	–	10,000,000.00
Others	–	285,883.00
Total	–	10,285,883.00

(3) Cash relating to financing activities

Other cash payments relating to financing activities

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Acquisition of minority interests in subsidiaries	**642,762,023.52**	–
Repayment of principal and interest on lease liabilities	**8,852,636.26**	7,696,487.98
Payment of interest on USD bonds and withholding taxes on annual trust fees	**3,277,400.00**	3,354,353.33
Brokerage fees for issuing bonds	**1,734,600.00**	7,615,600.58
Repayment of principal of perpetual bonds	–	4,000,000,000.00
Brokerage fees and taxes on private placement of A shares	–	22,184,201.65
Others	**1,097,552.72**	1,145,341.61
Total	**657,724,212.50**	4,041,995,985.15

Changes in liabilities arising from financing activities

RMB

Item	Opening balance (Audited)	Additions in cash changes	Reductions in cash changes	Non-cash changes, net	Ending balance (Unaudited)
Short-term borrowings	3,356,091,388.07	1,303,434,759.46	809,897,748.96	3,017,273.75	**3,852,645,672.32**
Other current liabilities – Ultra-short-term financing bonds	1,517,142,451.70	–	1,518,223,828.72	1,081,377.02	**–**
Long-term borrowings (including long-term borrowings due within one year)	12,628,819,164.16	250,414,913.50	1,029,739,922.14	154,921,607.10	**12,004,415,762.62**
Bonds payable (including bonds payable due within one year)	14,159,962,264.21	2,500,000,000.00	1,211,199,046.75	112,934,009.30	**15,561,697,226.76**
Lease liabilities (including lease liabilities due within one year)	29,564,087.22	–	8,852,636.26	6,151,329.96	**26,862,780.92**
Long-term payables (including long-term payables due within one year)	387,586,715.85	–	–	–	**387,586,715.85**
Dividends payable	62,493,194.42	–	84,800,000.00	740,223,083.22	**717,916,277.64**

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB

Supplementary information	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
1. Reconciliation from net profit to cash flows from operating activities:		
Net profit	**981,230,817.30**	1,030,659,129.30
Add: Credit impairment losses	**54,433,290.43**	74,645,559.96
(Gains)/losses on impairment of assets	**(21,908.61)**	17,511,953.61
Depreciation of fixed assets	**262,953,108.81**	272,430,240.92
Depreciation of right-of-use assets	**8,506,761.93**	8,431,975.21
Depreciation of investment properties	**668,639.21**	668,639.20
Amortization of intangible assets	**763,177,809.49**	875,034,362.38
Amortization of long-term prepaid expenses	**4,151,655.18**	3,843,461.88
Losses on disposal of fixed assets, intangible assets and other long-term assets	**89,730.70**	54,929.89
Losses on damage and retirement of non-current assets	**259,367.65**	73,576.99
Losses/(gains) on changes in fair value	**107,863,751.45**	(76,421,030.52)
Financial expenses	**349,987,993.90**	441,660,805.41
Investment income	**(453,055,536.32)**	(411,862,144.79)
Decrease/(increase) in deferred tax assets	**11,953,754.14**	(13,728,947.96)
Decrease in deferred tax liabilities	**(94,701,042.13)**	(18,383,613.36)
Decrease in inventories	**13,536,202.20**	3,950,370.38
Decrease/(increase) in operating receivables	**53,590,688.28**	(125,218,524.93)
Decrease in operating payables	**(25,389,667.56)**	(128,371,752.84)
Net cash flows from operating activities	**2,039,235,416.05**	1,954,978,990.73
2. Net changes in cash and cash equivalents:		
Cash and cash equivalents at the end of the period	**3,995,092,650.25**	4,415,087,511.40
Less: Cash and cash equivalents at the beginning of the period	**4,745,083,905.55**	2,670,493,652.96
Net (decrease)/increase in cash and cash equivalents	**(749,991,255.30)**	1,744,593,858.44

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Supplementary information to the statement of cash flows (Continued)

(2) Composition of cash and cash equivalents

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
I. Cash	**3,995,092,650.25**	4,745,083,905.55
Including: Cash on hand	**5,493,465.60**	5,755,304.72
Cash at banks that can be withdrawn on demand	**3,989,599,184.65**	4,739,328,600.83
II. Cash and cash equivalents at the end of the period	**3,995,092,650.25**	4,745,083,905.55
Add: Restricted cash and cash equivalents held by the Company and subsidiaries of the Group (Note V, 1)	**444,581,961.07**	407,072,375.92
Add: Interest on deposits	–	766,955.68
III. Cash at banks and on hand	**4,439,674,611.32**	5,152,923,237.15

56. Monetary items denominated in foreign currencies

(1) Monetary items denominated in foreign currencies

Item	Closing balance	Exchange rate	Equivalent to RMB
Cash at banks and on hand			
HKD	**586,590,493.83**	0.87	509,483,173.42
USD	**133,782.57**	6.81	911,179.69
EUR	**12.00**	7.77	93.21
FRF	**11.70**	8.42	98.55
ESP	**446.00**	0.05	20.88
JPY	**379.59**	0.04	15.96
Other receivables			
HKD	**1,207,787.46**	0.87	1,049,023.80
Short-term borrowings			
HKD	**559,478,909.15**	0.87	485,935,406.55
Employee benefits payable			
HKD	**1,038,730.20**	0.87	902,189.12
Other payables			
HKD	**290,054,890.84**	0.87	251,927,175.44
USD	**14,050.00**	6.81	95,693.15
Dividends payable			
HKD	**368,687,177.70**	0.87	320,223,248.19
Non-current liabilities due within one year			
HKD	**9,789,378.26**	0.87	8,502,564.49
USD	**302,526,280.46**	6.81	2,060,476,243.59
Lease liabilities			
HKD	**9,079,577.44**	0.87	7,886,066.99

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Monetary items denominated in foreign currencies (Continued)

(2) Overseas operating entities

The significant overseas operating entities of the Group include Mei Wah Company, SIHICH and Bay Area Development, among which Mei Wah Company, an investment and financing company, chooses HKD as its functional currency. SIHICH is an investment company which chooses HKD as its functional currency, and its principal subsidiaries and joint ventures determine RMB as their functional currency on the basis of the primary economic environment in which they operate. Bay Area Development is an investment company whose investment entities have their principal operating activities in Chinese Mainland and choose RMB as their functional currency.

57. Leases

(1) As a lessee

The Group has lease contracts for various items of buildings, vehicles, machinery and other equipment used in the operating process. The lease term for buildings, machinery and equipment is generally 1 to 9 years, while that for vehicles and other equipment is generally 1 to 3 years. The above right-of-use assets cannot be used as mortgages and guarantees for borrowings.

Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach:

Short-term lease expenses and expenses on leases of low-value assets that are accounted for using simplified approach and included in profit or loss for the period amounted to RMB15,872,733.26 (for the six months ended 30 June 2025: RMB22,519,527.12) and RMB0.00 (for the six months ended 30 June 2025: RMB0.00), respectively.

Total cash outflows relating to leases for the period amounted to RMB24,725,369.52 (for the six months ended 30 June 2025: RMB30,216,015.10).

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Leases (Continued)

(2) As a lessor

Operating leases

RMB

Item	Lease income	Including: Income related to variable lease payments that are not included in lease receipts
Parking spaces, workshops, staff dormitory buildings and others	**10,610,837.03**	–

The Group leased out some parking spaces, workshops and staff dormitory buildings for indefinite lease term and lease term of 1 to 9 years, forming operating leases.

Income related to operating leases for the period amounted to RMB10,610,837.03 (for the six months ended 30 June 2025: RMB11,339,255.65), of which income related to variable lease payments that are not included in lease receipts was nil (for the six months ended 30 June 2025: nil).

RMB

	Amount at the end of the period (Unaudited)	Amount at the end of the prior year (Audited)
1st year subsequent to the date of financial position statements	**20,517,207.83**	17,821,787.69
2nd year subsequent to the date of financial position statements	**17,406,349.17**	15,214,984.04
3rd year subsequent to the date of financial position statements	**12,976,408.34**	13,818,860.14
4th year subsequent to the date of financial position statements	**4,152,195.17**	6,508,606.14
5th year subsequent to the date of financial position statements	**3,167,894.10**	3,320,154.30
Subsequent years	**10,697,093.40**	9,435,794.34
Total undiscounted lease receipts	**68,917,148.01**	66,120,186.65

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Leases (Continued)

(2) As a lessor (Continued)

Finance lease

RMB

Item	Gains/losses on sales	Financing income	Income related to variable lease payments that are not included in net lease investment
Direct leases	–	24,596,709.56	–

The Group, as a lessor, entered into lease contracts on fixed assets with customers, with lease term ranging from 2 to 13 years. The contracts do not contain options for renewal and termination.

Reconciliation of undiscounted lease receipts to net lease investment

RMB

	Undiscounted lease receipts	
	Amount at the end of the period (Unaudited)	Amount at the end of the prior year (Audited)
Total undiscounted lease receipts	**1,448,735,042.55**	1,472,213,365.22
Unguaranteed residual value	**–**	–
Total lease investment	**1,448,735,042.55**	1,472,213,365.22
Less: Unrealized financing income	**273,056,087.54**	289,211,094.60
Net lease investment	**1,175,678,955.01**	1,183,002,270.62
Including: Finance lease receivables due within one year	**176,002,865.80**	218,840,331.79
Finance lease receivables due after one year	**999,676,089.21**	964,161,938.83

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Leases (Continued)

(2) As a lessor (Continued)

Undiscounted lease receipts for the next five years

RMB

	Undiscounted lease receipts per year	
Item	Amount at the end of the period (Unaudited)	Amount at the end of the prior year (Audited)
The first year	**219,301,671.64**	266,726,840.14
The second year	**163,641,798.82**	223,267,184.91
The third year	**133,461,772.21**	188,068,915.55
The fourth year	**122,684,301.13**	168,321,806.33
The fifth year	**136,235,520.88**	156,655,413.92
Total undiscounted lease receipts after five years	**673,409,977.87**	469,173,204.37

Gains relating to finance lease are as follows:

RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Financing income from net lease investment	**24,596,709.56**	27,479,368.94
Total	**24,596,709.56**	27,479,368.94

VI. CHANGES IN SCOPE OF CONSOLIDATION

1. Changes in scope of consolidation due to other reasons

Kunshan Lande Environmental Protection Technology Co., Ltd., the subsidiary of the Group, have been deregistered, the taxation and business deregistration procedures of which was completed on 11 February 2026.

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Outer Ring Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	8,611,759,125.00	100.00	–	Incorporation
Expressway Investment	Guizhou Province, PRC	Shenzhen, Guangdong Province, PRC	Investment	1,000,000,000.00	100.00	–	Incorporation
Guishen Company	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Infrastructure construction	500,000,000.00	–	70.00	Incorporation
Guizhou Land	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Comprehensive land development	158,000,000.00	–	100.00	Incorporation
Property Management Company	Longli County, Guizhou Province, PRC	Shenzhen, Guangdong Province, PRC	Property management	1,000,000.00	–	100.00	Incorporation
Environment Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental projects and advisory	6,550,000,000.00	100.00	–	Incorporation
JEL Company	Hubei Province, PRC	Cayman Islands	Investment holding	USD30,000,000.00	–	100.00	Business combinations under common control
Hubei Magerk Expressway Management Co., Ltd.	Hubei Province, PRC	Hubei Province, PRC	Toll road operation	USD200,000.00	–	100.00	Business combinations under common control
Qinglian Company	Qingyuan, Guangdong Province, PRC	Qingyuan, Guangdong Province, PRC	Toll road operation	3,361,000,000.00	51.37	25.00	Business combinations not under common control
Meiguan Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	332,400,000.00	100.00	–	Business combinations not under common control
Mei Wah Company	Hubei Province and Guangdong Province, PRC	Hong Kong, PRC	Investment holding	HKD10,970,381,300.00	100.00	–	Business combinations not under common control
Maxprofit Company	Guangdong Province, PRC	British Virgin Islands	Investment holding	USD85,360,000.00	–	100.00	Business combinations not under common control
Fameluxe Company	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD10,000.00	–	100.00	Business combinations not under common control
Shenzhen Expressway Operation Development Co., Ltd. ("Operation Development Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	60,000,000.00	98.70	1.30	Incorporation

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Indirect	Acquired through
Qinglong Company (Note 1)	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	324,000,000.00	40.00	10.00	Business combinations not under common control
Shenchang Company	Changsha, Hunan Province, PRC	Changsha, Hunan Province, PRC	Toll road operation	200,000,000.00	51.00	–	Business combinations not under common control
Shenzhen Expressway Construction Development Company Limited ("Construction Development Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Infrastructure construction	30,000,000.00	100.00	–	Incorporation
Infrastructure Environmental Protection Development Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Infrastructure and environmental protection business	500,000,000.00	98.00	2.00	Incorporation
Shenzhen Express Private Equity Industry Investment Fund Management Co., Ltd. ("Fund Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Capital market services	19,607,800.00	51.00	–	Incorporation
Coastal Expressway	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	5,714,285,714.00	49.00	51.00	Business combinations under common control
Guishen Expressway Investment	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Comprehensive land development	1,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Yijia Apartment Management Limited Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Apartment leases and management	10,000,000.00	–	60.00	Incorporation
Yefengrui Land	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Comprehensive land development	1,000,000.00	–	100.00	Incorporation
Nanjing Wind Power	Nanjing, Jiangsu Province, PRC	Nanjing, Jiangsu Province, PRC	Manufacturing	357,142,900.00	–	100.00	Business combinations not under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Shareholding proportion (%) Indirect	Acquired through
Baotou Jinling Wind Power Technology Co., Ltd.	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Manufacturing	20,000,000.00	–	100.00	Business combinations not under common control
Baotou Nanfeng	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	632,800,000.00	0.95	99.05	Business combinations not under common control
Baotou Lingxiang	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	148,100,000.00	–	100.00	Business combinations not under common control
Nanchuan Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	128,200,000.00	–	100.00	Business combinations not under common control
Ningyuan Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	179,000,000.00	–	100.00	Business combinations not under common control
Ningxiang Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	129,500,000.00	–	100.00	Business combinations not under common control
Ningfeng Wind Power	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Wind power	126,000,000.00	–	100.00	Business combinations not under common control
Bioland Company	Shenzhen, Guangdong Province, PRC	Zhengzhou, Henan Province, PRC	Environment and facility services	505,439,108.00	–	92.73	Business combinations not under common control
Guangxi Bioland	Nanning, Guangxi Zhuang Autonomous Region, PRC	Nanning, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	225,966,600.00	–	100.00	Business combinations not under common control
Dezhou Bioland Renewable Resources Co., Ltd.	Dezhou, Shandong Province, PRC	Dezhou, Shandong Province, PRC	Kitchen waste disposal	50,000,000.00	–	100.00	Business combinations not under common control
Guiyang Beier Bioland	Guiyang, Guizhou Province, PRC	Guiyang, Guizhou Province, PRC	Kitchen waste disposal	110,923,700.00	–	100.00	Business combinations not under common control
Taizhou Bioland	Taizhou, Jiangsu Province, PRC	Taizhou, Jiangsu Province, PRC	Kitchen waste disposal	68,000,000.00	–	100.00	Business combinations not under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		Acquired through
					Direct	Indirect	
Dezhou Zhonghe	Dezhou, Shandong Province, PRC	Dezhou, Shandong Province, PRC	Equipment manufacturing	30,000,000.00	–	100.00	Business combinations not under common control
Kunshan Environmental Protection	Kunshan, Jiangsu Province, PRC	Kunshan, Jiangsu Province, PRC	Kitchen waste disposal	25,000,000.00	–	95.00	Business combinations not under common control
Longyou Bioland	Quzhou, Zhejiang Province, PRC	Quzhou, Zhejiang Province, PRC	Kitchen waste disposal	10,500,000.00	–	100.00	Business combinations not under common control
Langfang Bioland	Langfang, Hebei Province, PRC	Langfang, Hebei Province, PRC	Equipment manufacturing	30,000,000.00	–	100.00	Business combinations not under common control
Shangrao Bioland	Shangrao, Jiangxi Province, PRC	Shangrao, Jiangxi Province, PRC	Kitchen waste disposal	25,000,000.00	–	100.00	Business combinations not under common control
Huangshi Bioland	Huangshi, Hubei Province, PRC	Huangshi, Hubei Province, PRC	Kitchen waste disposal	24,274,980.00	–	70.00	Business combinations not under common control
Pingyu Beier Environmental Technology Co., Ltd.	Zhumadian, Henan Province, PRC	Zhumadian, Henan Province, PRC	Kitchen waste disposal	500,000.00	–	100.00	Business combinations not under common control
Handan Bioland	Handan, Hebei Province, PRC	Handan, Hebei Province, PRC	Kitchen waste disposal	50,000,000.00	–	90.00	Business combinations not under common control
Guilin Bioland	Guilin, Guangxi Zhuang Autonomous Region, PRC	Guilin, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	54,600,000.00	–	100.00	Business combinations not under common control
Xinyu Bioland	Xinyu, Jiangxi Province, PRC	Xinyu, Jiangxi Province, PRC	Kitchen waste disposal	23,940,000.00	–	100.00	Business combinations not under common control
Zhuji Bioland	Zhuji, Zhejiang Province, PRC	Zhuji, Zhejiang Province, PRC	Kitchen waste disposal	100,000,000.00	–	90.00	Business combinations not under common control
Fuzhou Bioland	Fuzhou, Jiangxi Province, PRC	Fuzhou, Jiangxi Province, PRC	Kitchen waste disposal	24,000,000.00	–	100.00	Business combinations not under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Indirect	Acquired through
Shenlu Environmental Protection	Nanjing, Jiangsu Province, PRC	Nanjing, Jiangsu Province, PRC	Environment and facility services	100,000,000.00	–	100.00	Business combinations not under common control
Sichuan Lansheng	Zigong, Sichuan Province, PRC	Zigong, Sichuan Province, PRC	Kitchen waste disposal	45,039,000.00	–	84.57	Business combinations not under common control
Logistics Finance Company	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 1.00	–	100.00	Business combinations under common control
Financial Leasing Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Financial leasing and commercial factoring	902,500,000.00	72.30	27.70	Business combinations under common control
Shenzhen High Speed Engineering Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road construction	40,500,000.00	–	60.00	Business combinations not under common control
New Energy Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Wind power	2,619,441,000.00	100.00	–	Incorporation
Inner Mongolia Chenghuan Bioland	Hohhot, Inner Mongolia Autonomous Region, PRC	Hohhot, Inner Mongolia Autonomous Region, PRC	Environment and facility services	43,360,000.00	–	51.00	Incorporation
Bioland Environmental Protection Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental and ecological monitoring, agricultural science research	10,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Gao Le Yi Health Care Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	30,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Construction Technology Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Construction and engineering	40,000,000.00	–	51.00	Incorporation
Guangdong New Energy	Liannan Yao Autonomous County, Guangdong Province, PRC	Liannan Yao Autonomous County, Guangdong Province, PRC	Investment holding	1,956,550,000.00	–	100.00	Incorporation
Qiantai Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Comprehensive utilization of resources	307,692,300.00	–	63.33	Business combinations not under common control
Shenzhen Longda Expressway Co., Ltd. ("Longda Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	50,000,000.00	89.93	–	Business combinations under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Indirect	Acquired through
Qianxin Company	Mulei County, Changji Prefecture, Xinjiang, PRC	Mulei County, Changji Prefecture, Xinjiang, PRC	Wind power	181,120,000.00	–	100.00	Business combinations not under common control
Qianzhi Company	Mulei County, Changji Prefecture, Xinjiang, PRC	Mulei County, Changji Prefecture, Xinjiang, PRC	Wind power	479,183,100.00	–	100.00	Business combinations not under common control
Qianhui Company	Mulei County, Changji Prefecture, Xinjiang, PRC	Mulei County, Changji Prefecture, Xinjiang, PRC	Wind power	264,376,900.00	–	100.00	Business combinations not under common control
Guangming Environment Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Kitchen waste disposal	200,000,000.00	100.00	–	Incorporation
Shenzhen High Speed Asphalt Technology Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Asphalt materials	30,000,000.00	–	55.00	Incorporation
Beihai Zhonglan	Beihai, Guangxi Zhuang Autonomous Region, PRC	Beihai, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	16,390,000.00	–	90.00	Incorporation
Yongcheng Zhuneng	Yongcheng, Shangqiu, Henan Province, PRC	Yongcheng, Shangqiu, Henan Province, PRC	Wind power	102,450,000.00	–	100.00	Business combinations not under common control
Shenzhen Zhuneng New Energy Technology Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Investment holding	100,000.00	–	100.00	Incorporation
Shanghai Zhuneng New Energy Technology Co., Ltd.	Shanghai, PRC	Shanghai, PRC	Investment holding	2,450,000.00	–	100.00	Business combinations not under common control
Ningxia Zhongwei	Zhongwei, Ningxia Hui Autonomous Region, PRC	Zhongwei, Ningxia Hui Autonomous Region, PRC	Wind power	175,920,236.88	–	100.00	Business combinations not under common control
Chuzhou Bioland	Chuzhou, Anhui Province, PRC	Chuzhou, Anhui Province, PRC	Kitchen waste disposal	25,492,400.00	–	89.10	Incorporation
Shenzhen Expressway Business Co., Ltd. ("Shenzhen Expressway Business")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Business services	8,000,000.00	100.00	–	Incorporation
Shengao Lekang	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	15,000,000.00	–	80.00	Incorporation
SIHICH	Shenzhen, Guangdong Province, PRC	British Virgin Islands	Investment holding	USD641,075,642.00	–	100.00	Business combinations under common control

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Indirect	Acquired through
Bay Area Development	Hong Kong, PRC	Cayman Islands	Investment holding	HKD1,000,000,000.00	–	73.98	Business combinations under common control
Wilberforce	Hong Kong, PRC	British Virgin Islands	Investment holding	USD50,000.00	–	100.00	Business combinations under common control
Jiehao	Hong Kong, PRC	British Virgin Islands	Investment holding	USD50,000.00	–	100.00	Business combinations under common control
Bay Area Management	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD1.00	–	100.00	Business combinations under common control
Bay Area Service	Hong Kong, PRC	Hong Kong, PRC	Office service	HKD2.00	–	100.00	Business combinations under common control
Bay Area Financing	Hong Kong, PRC	Hong Kong, PRC	Loan financing	HKD1.00	–	100.00	Business combinations under common control
Hopewell Guangzhou-Zhuhai Expressway	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD2.00	–	100.00	Business combinations under common control
Guanjia	Hong Kong, PRC	British Virgin Islands	Investment holding	USD50,000.00	–	97.50	Business combinations under common control
Hopewell China Development	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD2.00	–	100.00	Business combinations under common control
Shenzhen Bay Infrastructure (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Investment holding	4,498,000,000.00	–	100.00	Business combinations under common control
Expressway Digital Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Information technology service	30,000,000.00	51.00	–	Incorporation
Lisai Environmental Protection	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental technology service	17,441,900.00	–	70.00	Business combinations not under common control
Shaoyang Shengao Environmental	Shaoyang, Hunan Province, PRC	Shaoyang, Hunan Province, PRC	Kitchen waste disposal	100,000,000.00	–	100.00	Incorporation
Guangdong Qizhen Toll Road Construction Co., Ltd.	Foshan, Guangdong Province, PRC	Foshan, Guangdong Province, PRC	Toll road construction	100,000,000.00	–	100.00	Acquisition
Shenzhen Jingmao Infrastructure Operation and Maintenance Co., Ltd.	Guangzhou, Guangdong Province, PRC	Guangzhou, Guangdong Province, PRC	Construction and engineering	10,000,000.00	–	100.00	Acquisition

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%) Direct	Shareholding proportion (%) Indirect	Acquired through
Guizhou Ziyun Jinshen New Energy Co., Ltd.	Anshun, Guizhou Province, PRC	Anshun, Guizhou Province, PRC	Production and supply of electricity and heat	50,000,000.00	–	100.00	Incorporation
Xingren Yuansheng New Energy Co., Ltd.	Xingren, Guizhou Province, PRC	Xingren, Guizhou Province, PRC	Production and supply of electricity and heat	2,000,000.00	–	100.00	Incorporation
Duyun Jinxin New Energy Co., Ltd.	Duyun, Guizhou Province, PRC	Duyun, Guizhou Province, PRC	Production and supply of electricity and heat	1,000,000.00	–	100.00	Incorporation
Shenzhen Bay City Investment (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Real estate	1,300,000,000.00	–	100.00	Incorporation
Jinshen New Energy	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Production and supply of electricity and heat	1,000,000,000.00	–	65.00	Incorporation
Shengneng Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Manufacturing of electrical machinery and equipment	15,000,000.00	–	100.00	Incorporation
Pingshan Jishen New Energy Technology Co., Ltd.	Shijiazhuang, Hebei Province, PRC	Shijiazhuang, Hebei Province, PRC	Science and technology promotion and application services	110,000,000.00	–	100.00	Incorporation
Hunan Yichang Expressway Operation & Management Co., Ltd. ("Yichang Operation & Management")	Changde, Hunan Province, PRC	Changde, Hunan Province, PRC	Toll road operation	5,000,000.00	100.00	–	Incorporation
Ya'an Bioland	Ya'an, Sichuan Province, PRC	Ya'an, Sichuan Province, PRC	Ecological protection and environmental governance	25,000,000.00	–	100.00	Incorporation
Zhangshu Gaochuan New Energy Co., Ltd.	Zhangshu, Jiangxi Province, PRC	Zhangshu, Jiangxi Province, PRC	Wind power	1,000,000.00	–	100.00	Business combinations not under common control
Guangming Fengrunjiu	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	13,000,000.00	–	60.00	Business combinations not under common control

Note 1: According to the articles of association of Qinglong Company, the shareholders' meeting of Qinglong Company is composed of the Company, its subsidiary Fameluxe Investment and Shenzhen Huayu Investment Development (Group) Co., Ltd. The shareholders' meeting shall be attended by one shareholder representative appointed by each shareholder, and shall exercise voting rights in accordance with the principle of "one person, one vote" by the shareholder representative. In terms of business matters, more than two-thirds (including two-thirds) of the shareholders shall be required Shareholders or shareholder representatives vote for approval, so the Group essentially controls Qinglong Company.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiaries

30 June 2026 (Unaudited)

RMB

Name of subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders	Dividend declared and distributed to minority shareholders	Balance of minority interests at the end of the period
Qinglian Company	**23.63%**	**8,993,410.39**	**–**	**744,176,416.44**
Shenchang Company	**49.00%**	**28,449,922.49**	**–**	**169,294,962.58**
Bioland Company	**7.27%**	**8,243,540.48**	**–**	**145,516,704.51**
Longda Company	**10.07%**	**5,253,150.37**	**–**	**23,218,748.45**
Bay Area Development	**26.02%**	**50,588,521.85**	**(80,949,567.84)**	**3,077,049,314.71**
Total		**101,528,545.58**	**(80,949,567.84)**	**4,159,256,146.69**

30 June 2025 (Unaudited)

RMB

Name of subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders	Dividend declared and distributed to minority shareholders	Balance of minority interests at the end of the period
Qinglian Company	23.63%	5,930,028.77	–	725,548,811.23
Shenchang Company	49.00%	29,432,186.25	–	183,495,730.25
Qinglong Company	50.00%	6,061,350.14	–	331,652,836.38
Bioland Company	7.71%	4,744,362.80	–	152,930,499.47
Longda Company	10.07%	5,411,745.75	(9,074,888.58)	23,873,434.86
Bay Area Development	28.17%	53,395,172.85	(64,095,018.92)	3,254,987,359.75
Total		**104,974,846.56**	**(73,169,907.50)**	**4,672,488,671.94**

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3) Major financial information of significant non-wholly-owned subsidiaries

RMB

Name of subsidiary	Closing balance (Unaudited)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinglian Company	**187,113,106.60**	**4,752,244,743.04**	**4,939,357,849.64**	**314,905,261.49**	**1,545,308,195.29**	**1,860,213,456.78**
Shenchang Company	**113,535,403.27**	**286,509,893.52**	**400,045,296.79**	**54,672,993.01**	**49,318.98**	**54,722,311.99**
Bioland Company	**646,955,115.39**	**2,830,963,135.75**	**3,477,918,251.14**	**501,522,754.58**	**1,114,063,487.13**	**1,615,586,241.71**
Longda Company	**257,306,088.29**	**91,437,465.44**	**348,743,553.73**	**48,267,065.03**	**69,903,018.56**	**118,170,083.59**
Bay Area Development	**3,182,536,381.42**	**14,611,954,558.05**	**17,794,490,939.47**	**4,603,923,227.95**	**1,450,197,506.47**	**6,054,120,734.42**

RMB

Name of subsidiary	Opening balance (Audited)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinglian Company	219,357,248.98	4,974,906,118.13	5,194,263,367.11	340,486,861.11	1,812,691,403.83	2,153,178,264.94
Shenchang Company	48,999,909.18	316,778,947.60	365,778,856.78	78,467,619.30	49,318.98	78,516,938.28
Qinglong Company	631,183,747.11	38,084,950.36	669,268,697.47	160,287,977.25	80,611,818.15	240,899,795.40
Bay Area Development	1,933,214,764.16	14,939,579,047.11	16,872,793,811.27	3,953,950,748.70	1,501,986,285.16	5,455,937,033.86
Bioland Company	669,437,620.16	2,979,407,974.31	3,648,845,594.47	541,753,810.64	1,276,202,807.32	1,817,956,617.96
Qiantai Company	217,767,292.97	298,491,772.11	516,259,065.08	121,066,945.21	234,830,931.14	355,897,876.35
Longda Company	208,636,869.06	106,211,259.60	314,848,128.66	48,891,196.98	87,549,800.89	136,440,997.87
Guishen Company	1,527,886,704.13	623,621,148.11	2,151,507,852.24	720,656,838.31	60,350,832.79	781,007,671.10

RMB

Name of subsidiary	For the six months ended 30 June 2026 (Unaudited)			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Qinglian Company	**361,215,657.35**	**38,059,290.69**	**38,059,290.69**	**262,210,649.48**
Shenchang Company	**122,308,958.48**	**58,061,066.30**	**58,061,066.30**	**72,280,656.10**
Bioland Company	**276,815,190.41**	**30,443,032.92**	**30,443,032.92**	**94,397,676.36**
Longda Company	**107,298,645.30**	**52,166,339.34**	**52,166,339.34**	**32,749,517.64**
Bay Area Development	**402,404,829.72**	**235,525,494.30**	**260,290,620.91**	**393,915,868.32**

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3) Major financial information of significant non-wholly-owned subsidiaries (Continued)

RMB

	For the six months ended 30 June 2025 (Unaudited)			
Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Qinglian Company	331,927,272.43	25,095,339.69	25,095,339.69	248,620,733.31
Shenchang Company	126,488,990.10	60,065,686.22	60,065,686.22	76,516,434.18
Qinglong Company	304,520,857.84	12,122,700.27	12,122,700.27	180,633,529.10
Bay Area Development	371,758,936.40	177,935,659.27	243,235,331.10	265,265,162.75
Bioland Company	277,685,848.66	1,571,928.53	1,571,928.53	118,843,639.59
Longda Company	108,411,635.97	53,741,268.64	53,741,268.64	42,365,387.18

Substantial restriction to the usage of the Group's assets or the settlement of the Group's liabilities

As at 30 June 2026, there was no substantial restriction which prohibited the usage of the Group's assets or the settlement of the Group's liabilities.

2. Interests in associates and joint ventures

(1) Significant associates and joint ventures

Name	Place of main business	Place of registration	Nature of business	Shareholding proportion (%) Direct	Shareholding proportion (%) Indirect	Method of accounting treatment
Derun Environment	Chongqing, PRC	Chongqing, PRC	Environmental governance and resource recovery	–	20.00	Equity method
Guangzhou-Shenzhen-Zhuhai Expressway	Guangdong Province	Guangzhou, Guangdong Province	Toll road operation	–	45.00	Equity method

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in associates and joint ventures (Continued)

(2) Major financial information of significant associates and joint ventures

RMB

Item	Closing balance/For the six months ended 30 June 2026 (Unaudited)		Opening balance/For the six months ended 30 June 2025 (Unaudited)	
	Derun Environment (Note)	Guangzhou-Shenzhen-Zhuhai Expressway	Derun Environment (Note)	Guangzhou-Shenzhen-Zhuhai Expressway
Current assets	**15,747,457,014.80**	**4,179,104,361.93**	14,548,067,141.76	6,221,326,371.40
Including: Cash and cash equivalents	**6,842,258,112.46**	**3,933,857,491.97**	5,837,334,375.38	5,977,751,884.31
Non-current assets	**50,918,693,279.92**	**16,778,834,610.92**	51,520,413,201.62	15,723,721,002.91
Total assets	**66,666,150,294.72**	**20,957,938,972.85**	66,068,480,343.38	21,945,047,374.31
Current liabilities	**9,539,640,279.92**	**2,857,508,005.43**	10,670,154,155.98	816,589,381.29
Non-current liabilities	**21,954,893,375.09**	**7,680,248,997.16**	20,869,162,230.88	8,776,574,508.89
Total liabilities	**31,494,533,655.01**	**10,537,757,002.59**	31,539,316,386.86	9,593,163,890.18
Minority interests	**16,284,523,390.73**	**–**	16,087,466,372.60	–
Equity attributable to shareholders of the Company	**18,887,093,248.98**	**10,420,181,970.26**	18,441,697,583.92	12,351,883,484.13
Share of net assets calculated according to shareholding ratio	**3,777,418,649.80**	**4,689,081,886.62**	3,688,339,516.78	5,558,347,567.86
Adjustments	**1,462,953,999.22**	**(57,980,826.40)**	1,462,953,999.22	(59,572,191.88)
– Goodwill	**1,462,953,999.22**	**–**	1,462,953,999.22	–
– Unrealized profits from internal transactions	**–**	**(58,968,326.38)**	–	(60,559,691.86)
– Others	**–**	**987,499.98**	–	987,499.98
Carrying amount of equity investment in associates and joint ventures	**5,240,372,649.02**	**4,631,101,060.22**	5,151,293,516.00	5,498,775,375.98
Fair value of equity investment in associates and joint ventures with publicly quoted prices	**N/A**	**N/A**	N/A	N/A
Operating income	**6,647,695,158.22**	**1,237,141,141.09**	6,440,039,678.80	2,221,192,063.76
Income tax expenses	**362,074,550.41**	**194,476,617.43**	261,390,727.99	214,168,578.22
Net profit	**542,670,000.00**	**301,122,020.54**	438,464,090.45	295,752,903.93
Net profit from discontinued operations	**–**	**–**	–	–
Other comprehensive income	**–**	**–**	3,142,407.65	–
Total comprehensive income	**542,670,000.00**	**301,122,020.54**	441,606,498.10	295,752,903.93
Dividends received from associates and joint ventures in the current period	**–**	**540,000,000.00**	–	135,000,000.00

Note: The Group shares the net profit of Derun Environment attributable to shareholders of the Company at a 20% shareholding ratio. After deducting the current-period premium amortization of RMB19,454,866.98, the Group recognized the income from investment in Derun Environment of RMB89,079,133.02. Please refer to Note V, 12.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in associates and joint ventures (Continued)

(3) Major financial information of insignificant associates and joint ventures

RMB

Item	Closing balance/ For the six months ended 30 June 2026 (Unaudited)	Opening balance/ For the six months ended 30 June 2025 (Unaudited)
Associates and joint ventures:		
Total carrying amount of investments	**8,832,502,380.62**	9,304,537,816.52
Total of the following items calculated according to the shareholding ratio		
– Net profit	**205,311,069.05**	220,688,250.41
– Other comprehensive income	**(24,921,009.10)**	16,871,087.01
– Total comprehensive income	**180,390,059.95**	237,559,337.42

As at 30 June 2026, there was no substantial restriction on transferring funds between the associates and joint ventures of the Group.

VIII. GOVERNMENT GRANTS

1. Government grants recognized at the amount of receivables at the end of the reporting period

RMB

Closing balance of receivables	–

2. Liabilities involving government grants

RMB

Item	Opening balance (Audited)	Amount of new government grants	Amount included in other income	Closing balance (Unaudited)	Related to assets/income
Deferred revenue	26,916,679.57	–	16,769,474.13	**10,147,205.44**	Related to income
Deferred revenue	31,571,930.92	–	3,811,105.18	**27,760,825.74**	Related to assets
Total	58,488,610.49	–	20,580,579.31	**37,908,031.18**	

VIII. GOVERNMENT GRANTS (CONTINUED)

3. Government grants included in profit or loss

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Related to income	**21,117,294.44**	5,871,814.06
Related to assets	**3,811,105.18**	4,559,331.29
Total	**24,928,399.62**	10,431,145.35

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash at banks and on hand, transactional financial assets, bills receivable, accounts receivable, other receivables, non-current assets due within one year, other current assets, long-term receivables, other non-current financial assets, short-term borrowings, transactional financial liabilities, bills payable, accounts payable, other payables, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable, long-term payables, etc. At the end of the period, details of the financial instruments held by the Group are set out in Note V. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure that the risks are monitored at a certain level.

1. Risk management objectives, policies and procedures, and changes during the period

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure that the risks are monitored at a certain level.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the period (Continued)

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD and USD. Except for the investment and financing activities of several subsidiaries of the Group in HKD and USD, other principal operating activities of the Group are denominated and settled in RMB.

As of June 30, 2026, except for asset or liability mentioned in the table below which are foreign currency balances, the assets and liability of the Group are both RMB balances.

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Cash at banks and on hand	**422,412,128.14**	37,032,342.66
Other receivables	**723,245.84**	–
Other payables	**2,354,816.54**	21,315.99
Dividends payable	**320,223,248.19**	–
Non-current liabilities due within one year	**2,068,978,808.08**	2,128,582,084.56
Lease liabilities	**7,886,066.99**	4,017,235.96

1.1.2 Interest rate risk – risk of changes in cash flows

The Group's risk of changes in cash flow of financial instruments caused by changes in interest rates is mainly related to the Group's floating rate bank borrowings. The Group continues to pay close attention to the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain floating interest rates for these borrowings. Currently, there are no arrangements such as interest rate swaps.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the period (Continued)

1.2 Credit risk

As at 30 June 2026, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash at banks and on hand, bills receivable, accounts receivable, other receivables, long-term receivables, etc. Some of the Group's accounts receivable have relatively long aging and are significant in amount. The counterparty's ability to fulfill contractual obligations has deteriorated due to economic changes and market competition, and disputes exist regarding contract execution for certain businesses, thereby increasing the credit risks. For financial instruments measured at fair value, the carrying amount reflects their risk exposure, but it is not the maximum risk exposure. The maximum risk exposure will change with changes in fair value in the future. In addition, the Group's maximum exposure to credit risk includes the amount of mortgage guarantee contract as disclosed in Note XII, 2 "Contingencies".

In order to reduce credit risk, the Group needs to conduct credit reviews on customers engaging in transactions on credit. In addition, the Group continuously monitors the balance of accounts receivable, establishes clear collection targets for receivables within the Group, and assigns specific responsibilities to relevant entities and individuals, linking these targets to their performance assessment.

The credit risk on cash at banks and on hand is limited because they are deposited with banks with high credit ratings.

1.3 Liquidity risk

In the management of the liquidity risk, the management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and bonds and ensures compliance with loan covenants and prospectuses.

As at 30 June 2026, the Group has unused bank credit lines totaling RMB77,257,697,396.28, which are able to satisfy the Group's debt and capital commitments. The Group is able to solve the lack of working capital through reasonable financing arrangements.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the period (Continued)

1.3 Liquidity risk (Continued)

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	3,878,250,492.89	–	–	–	3,878,250,492.89
Bills payable	453,896,729.29	–	–	–	453,896,729.29
Accounts payable	1,976,075,774.07	–	–	–	1,976,075,774.07
Other payables	2,068,738,002.88	–	–	–	2,068,738,002.88
Non-current liabilities due within one year	7,464,940,564.61	–	–	–	7,464,940,564.61
Long-term borrowings	274,028,496.13	1,936,560,055.78	6,325,988,908.50	2,844,606,190.82	11,381,183,651.23
Bonds payable	270,652,001.44	2,185,847,945.21	12,915,594,482.19	1,011,630,273.97	16,383,724,702.81
Lease liabilities	–	6,242,472.80	3,178,572.65	135,227.06	9,556,272.51
Long-term payables	–	–	387,586,715.85	–	387,586,715.85
Mortgage guarantee	246,581,058.63	–	–	–	246,581,058.63
Total	**16,633,163,119.94**	**4,128,650,473.79**	**19,632,348,679.19**	**3,856,371,691.85**	**44,250,533,964.77**

Given that the Group has stable and abundant operating cash flow and sufficient credit lines, and has made appropriate financing arrangements to meet debt repayment and capital expenditures, the management of the Company believes that the Group does not have significant liquidity risk.

2. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Capital management (Continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the profit distribution to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes have been made to the objectives, policies or procedures for managing capital for the six months ended 30 June 2026 and 2025.

The Group manages and monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio as at the date of financial position statements is as follows:

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Total assets	**70,448,415,658.02**	71,289,150,413.25
Total liabilities	**38,481,704,786.27**	39,236,668,403.08
Debt-to-asset ratio	**54.62%**	55.04%

X. DISCLOSURE OF FAIR VALUE

1. Closing balance of fair value of assets and liabilities measured at fair value

30 June 2026

RMB

	Closing balance of fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Fair value measurement on a recurring basis:				
Transactional financial assets	–	4,018,143,602.10	117,904,214.77	4,136,047,816.87
Other non-current financial assets	333,763,000.00	–	583,150,103.18	916,913,103.18
Total	**333,763,000.00**	**4,018,143,602.10**	**701,054,317.95**	**5,052,960,920.05**

The fair value of level 3 financial instrument is estimated using the market approach, discounted cash flow method, etc. Unobservable inputs mainly include discount rate, liquidity discount, etc. The Group believes that the fair value estimated based on valuation techniques and its changes are reasonable and it is the most appropriate value at 30 June 2026.

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

X. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Closing balance of fair value of assets and liabilities measured at fair value (Continued)

30 June 2026 (Continued)

As at 30 June 2026, the management of the Company considers that the carrying amounts of financial assets and financial liabilities measure at amortized cost in the Group's financial statements approximate their fair values.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

1. General information of the parent company

HKD

Name of parent company	Place of registration	Nature of business	Registered capital	Equity interest held	Voting rights
Shenzhen International	Bermuda	Investment holding	HKD3,000,000,000.00	47.30%	47.30%

The controlling shareholder of the Company is Shenzhen International, and the ultimate controlling party of the Company is Shenzhen SASAC.

2. Information about subsidiaries

The information about the subsidiaries is set out in Note VII, 1.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information about associates and joint ventures

Information of the associates and joint ventures that have related party transactions with the Group in the current period or had related party transactions with the Group in the previous period is as follows:

Name	Relationship with the Company
Yunji Smart	Associate and joint venture
Huayu Company	Associate and joint venture
Huai'an Zhongheng	Associate and joint venture
Yangmao Company	Associate and joint venture
United Land Company	Associate and joint venture
Guangzhou-Shenzhen-Zhuhai Expressway	Associate and joint venture
Xintang Joint Venture	Associate and joint venture
GZ W2 Company	Associate and joint venture
Nanjing Third Bridge Company	Associate and joint venture
Guangzhou-Zhuhai West Line Expressway	Associate and joint venture
Fenghe Energy	Associate and joint venture
Nanning Sanfeng Energy Co., Ltd. ("Nanning Sanfeng")	Subsidiary of the associate and joint venture
Nanjing Anvis Transmission Technology Co., Ltd. ("Nanjing Anvis")	Subsidiary of the associate and joint venture

4. Information about other related parties

Name	Relationship with the Company
Shenzhen International Modern Logistics Petty Loan Co. Ltd.	Wholly-owned subsidiary of the controlling shareholder
Henan Yudong Shenan Port Co., Ltd.	Holding subsidiary of the controlling shareholder
Xin Tong Chan Company	Wholly-owned subsidiary of the controlling shareholder
Hunan Guangyuan Culture Media Co., Ltd. ("Hunan Guangyuan")	Holding company of minority shareholders in a subsidiary
United Electronic	Participating company
Water Planning & Design Institute	Participating company

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Related transactions for procurement and sale of goods, rendering and receipt of labor services

Procurement of goods/receipt of labor services

RMB

Name of related party	Content of transaction	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
United Electronic (Note 1)	Receipt of network tolling settlement services and others	**13,926,191.73**	14,536,612.22
Yunji Smart (Note 2)	Receipt of engineering survey, design and consulting services, along with other related services.	**4,660,877.59**	6,970,271.00
Water Planning & Design Institute	Receipt of engineering consulting services	**825,000.00**	–
Nanning Sanfeng	Receipt of sewage, sludge, and waste disposal services	**304,720.35**	255,402.12
Nanjing Anvis	Receipt of wind turbine repair service	**–**	1,265,450.00
Total		**19,716,789.67**	23,027,735.34

Note 1: The Guangdong Provincial People's Government has designated United Electronic to take charge of the sub-account management of highway tolls across the province and unified management of non-cash settlement systems. The Company and its subsidiaries have entered into a series of agreements with United Electronic and entrusted it to provide toll settlement services for Coastal Expressway, Meiguan Expressway, Airport-Heao Expressway, Qinglian Expressway, Outer Ring Expressway, Longda Expressway and Shuiguan Expressway invested by the Group. The service periods end on the expiry dates of toll collection periods of the toll roads. The related service charges are determined by the commodity price bureau of Guangdong Province.

Note 2: The Group has entered into service contracts with Yunji Smart, under which Yunji Smart shall provide engineering survey and design, consulting, highway inspection and special maintenance services for Outer Ring Expressway and other roads of the Group.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Related transactions for procurement and sale of goods, rendering and receipt of labor services (Continued)

Sale of goods/rendering of labor services:

RMB

Name of related party	Content of transaction	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Guangzhou-Shenzhen-Zhuhai Expressway (Note 1)	Personnel dispatch services	**2,101,821.52**	1,599,570.51
Guangzhou-Zhuhai West Line Expressway (Note 1)	Personnel dispatch services	**789,215.24**	735,082.03
Xintang Joint Venture (Note 1)	Personnel dispatch services	**400,943.40**	400,943.40
Yangmao Company	Personnel dispatch services	**284,556.90**	236,661.60
Nanjing Third Bridge Company	Personnel dispatch services	**260,550.71**	289,097.63
GZ W2 Company	Personnel dispatch services	**205,020.75**	205,020.75
Huai'an Zhongheng (Note 2)	Operation and maintenance services	**–**	734,011.85
Yunji Smart (Note 3)	Commission sale of water and electricity services	**–**	1,415.92
Others (Note 4)	Commission sale of water and electricity services and others	**109,730.32**	121,286.36
Total		**4,151,838.84**	4,323,090.05

Note 1: The Company dispatches management personnel to assume roles at Guangzhou West Second Ring Company, Nanjing Third Bridge Company and Yangmao Company. Bay Area Development, a subsidiary of the Company, dispatches management personnel to assume roles at Guangzhou-Shenzhen-Zhuhai Expressway, Xintang Joint Venture and Guangzhou-Zhuhai West Line Expressway.

Note 2: Nanjing Wind Power, a subsidiary of the Company, entered into an entrusted operation contract with Huai'an Zhongheng, under which it provides entrusted management and operation services for Huai'an Zhongheng's wind power plants.

Note 3: Coastal Company, a subsidiary of the Company, provides water and electricity resources to Yunji Smart.

Note 4: The Group provides water and electricity services and other services to Xin Tong Chan Company, Huayu Company, United Electronic and Hunan Guangyuan. The water and electricity service is charged and calculated based on the price paid to the water supply agency and power supply agency. The respective transaction amounts were not presented separately as they were not material.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Related leases

(a) The Group as a lessor

RMB

Lessee	Type of assets leased	Lease income recognized for the six months ended 30 June 2026	Lease income recognized for the six months ended 30 June 2025
Hunan Guangyuan	Billboard	**180,637.17**	194,400.00
Total		**180,637.17**	194,400.00

(3) Remuneration of key management personnel

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Basic salary, housing allowance, other allowances and non-cash benefits	**4,135,762.30**	4,579,757.68

The Company had a total of 19 directors and senior management personnel during the current reporting period (21 directors, supervisors and senior management personnel in the same period of 2025).

(4) Borrowings from/to related parties

Borrowings from related parties:

RMB

Related party	Amount of borrowings	Closing balance (Unaudited)	Interest rate	Inception date	Due date
United Land Company (Note)	–	**387,586,715.85**	–	29 December 2021	–

Note: As at 30 June 2026, the balance of the Company's interest-free borrowing from United Land Company was RMB387,586,715.85.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties

(1) Receivable items

RMB

Item	Related parties	Closing balance (Unaudited)		Opening balance (Audited)	
		Gross carrying amount	Bad debt provision	Gross carrying amount	Bad debt provision
Accounts receivable	GZ W2 Company	**85,356.00**	**–**	85,356.00	–
Accounts receivable	Huayu Company	**65,630.56**	**–**	65,630.56	–
Prepayments	Yunji Smart	**6,563,588.54**	**–**	6,575,698.54	–
Prepayments	United Electronic	**47,570.58**	**–**	39,764.96	–
Dividends receivables	Guangzhou-Zhuhai West Line Expressway	**103,619,429.21**	**–**	–	–
Dividends receivables	Bank of Guizhou Co., Ltd.	**30,132,419.88**	**–**	–	–
Dividends receivables	Guangzhou-Shenzhen-Zhuhai Expressway	**13,537,275.00**	**–**	–	–
Dividends receivables	Water Planning and Design Institute	**2,083,009.50**	**–**	–	–
Other receivables (Note V, 5.3)	Huai'an Zhongheng	**88,331,191.80**	**88,331,191.80**	88,331,191.80	70,664,953.44
Other receivables (Note V, 5.3)	Huayu Company	**741,435.49**	**–**	–	–
Other receivables (Note V, 5.3)	Xintang Joint Venture	**425,000.00**	**–**	425,000.00	–
Other receivables (Note V, 5.3)	United Electronic	**166,608.78**	**–**	109,966.67	–
Other receivables (Note V, 5.3)	United Land Company	**126,393.75**	**–**	126,393.75	–
Other receivables (Note V, 5.3)	Yunji Smart	**84,050.00**	**–**	84,050.00	–
Other receivables (Note V, 5.3)	Guangzhou-Shenzhen-Zhuhai Expressway	**–**	**–**	832,204.42	–
Other receivables (Note V, 5.3)	Guangzhou-Zhuhai West Line Expressway	**–**	**–**	365,498.85	–
Other non-current assets (Note V, 21)	Guangzhou-Shenzhen-Zhuhai Expressway	**798,699,225.00**	**–**	–	–

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties (Continued)

(2) Payable items

RMB

Item	Related parties	Closing balance (Unaudited)	Opening balance (Audited)
Accounts payable	Yunji Smart	**17,643,626.02**	18,061,019.02
Accounts payable	Nanjing Anvis	**1,105,575.00**	1,105,575.00
Accounts payable	Nanning Sanfeng	**89,065.35**	38,689.20
Accounts payable	United Electronic	**–**	317,918.76
Contract liabilities	Huai'an Zhongheng	**848,743.00**	848,743.00
Dividends payables	Xintongchan Company	**178,293,275.14**	–
Dividends payables	Shenguanghui Company	**100,396,212.43**	–
Dividends payables	Yunshan Capital	**59,286,256.48**	–
Dividends payables	China Merchants Highway	**22,226,629.29**	–
Dividends payables	Golden Baycrest (BVI) Limited	**21,446,724.60**	–
Dividends payables	Shandong High-speed (Hong Kong) Investment Co., Ltd.	**20,386,130.00**	–
Dividends payables	Guangdong Road and Bridge	**9,258,033.93**	–
Other payables (Note V, 30.3(1))	Huayu Company	**30,429,891.00**	30,400,000.00
Other payables (Note V, 30.3(1))	Yunji Smart	**9,031,562.39**	11,922,943.73
Other payables (Note V, 30.3(1))	Nanjing Third Bridge Company	**8,865,500.00**	23,152,500.00
Other payables (Note V, 30.3(1))	Guangzhou-Shenzhen-Zhuhai Expressway	**4,315,575.00**	4,315,575.00
Other payables (Note V, 30.3(1))	United Electronic	**2,101,341.45**	2,044,497.36
Other payables (Note V, 30.3(1))	Nanjing Anvis	**250,146.68**	250,146.68
Other payables (Note V, 30.3(1))	Hunan Guangyuan	**20,000.00**	20,000.00
Other payables (Note V, 30.3(1))	Xin Tong Chan Company	**5,000.00**	5,000.00
Other payables (Note V, 30.3(1))	Yangmao Company	**–**	25,000,000.00
Other payables (Note V, 30.3(1))	GZ W2 Company	**–**	40,000,000.00
Long-term payables (Note V, 36.(1))	United Land Company	**387,586,715.85**	387,586,715.85

Amounts due from/to related parties above are non-interest bearing, unsecured and have no fixed repayment terms.

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Commitments with related parties

The following table presents the commitments related to related parties that have been contracted but have not been presented in the financial position statements:

(1) Receipt of services

RMB

Related party	Closing balance (Unaudited)	Opening balance (Audited)
Yunji Smart	**143,489,879.07**	148,150,756.66
Nanjing Anvis	**2,117,875.22**	2,117,875.22
Nanning Sanfeng	**364,748.99**	364,748.99
Total	**145,972,503.28**	150,633,380.87

(2) Investment commitments

In order to satisfy the capital requirements for the renovation and expansion projects regarding the Jinggangao Expressway Guangzhou-Shenzhen section held by Guangzhou-Shenzhen-Zhuhai Expressway, a joint venture and associate of the Company, the Company held its 51st meeting of the 9th session of Board of Directors on 23 January 2025, reviewed and approved the *Proposal on Capital Increase to Guangzhou-Shenzhen-Zhuhai Expressway*. On 24 January 2025, Hopewell China Development, a subsidiary of the Company, entered into an *Agreement of Capital Increase to Guangzhou-Shenzhen-Zhuhai Expressway between Guangdong Highway Construction Co., Ltd. and Hopewell China Development (Superhighway) Limited* (the "Capital Increase Agreement") with Guangdong Highway Construction Co., Ltd. ("Guangdong Highway Construction"). Pursuant to the Capital Increase Agreement, Hopewell China Development and Guangdong Highway Construction agreed to subscribe and pay for the registered capital of Guangzhou-Shenzhen-Zhuhai Expressway after the change of registration in accordance with their shareholding ratios as agreed in the Capital Increase Agreement, and after the completion of the Capital Increase, the registered capital of Guangzhou-Shenzhen-Zhuhai Expressway shall be RMB7,300 million. Specifically, Hopewell China Development will subscribe and actually pay RMB3,285 million (or equivalent amount in foreign currencies) in respect of its 45% shareholding ratio; and Guangdong Highway Construction will subscribe and actually pay RMB4,015 million in respect of its 55% shareholding ratio. As of June 30, 2026, Hopewell China Development has completed an additional capital contribution of RMB644 million to Guangzhou-Shenzhen-Zhuhai Expressway.

(3) Equity acquisition commitments

As at 30 June 2026, the Group had no equity acquisition commitments.

XII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

In addition to the related party commitments disclosed in Note XI, 7, other significant commitments of the Group are as follows:

(1) Capital commitments

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Capital commitments that have been entered into but have not been recognized in the financial statements:		
– Expressway construction	**12,862,151,127.64**	9,348,911,016.00
– Kitchen waste disposal projects	**184,973,539.63**	187,434,983.39
Total	**13,047,124,667.27**	9,536,345,999.39

2. Contingencies

Significant contingencies at the date of financial position statements

(a) As at 30 June 2026, the Group's guarantees for the performance of certain projects are in effect, with a total guarantee amount of approximately RMB683 million.

(b) As at 30 June 2026, the Group provided a periodic joint and several liability guarantee amounting to RMB247 million to the bank for house mortgage loans granted by the bank to the Group's property buyers. Under the terms of guarantee, the Group is responsible for paying the outstanding mortgage loans and any accrued interest and penalties owed to the bank by the buyers in arrears if the buyers default in the mortgage payments, and the Group can then receive legal ownership of the property. The Group's guarantee period commences on the date on which the relevant mortgage loan is granted by the bank and ends on the date on which the buyer obtains the title deeds of the individual properties. The management believes that if the payment is in arrears, the net realizable value of the property is sufficient to cover the outstanding mortgage loans together with any accrued interest and penalties, and therefore no provision is made for these guarantees.

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(c) Pursuant to the *Engineering Equipment Supply and Installation Contract* and the *Wind Turbine Quality Assurance Agreement* entered into by and between Nanjing Wind Power and Huai'an Zhongheng, Nanjing Wind Power shall supply wind turbines for wind farms of Huai'an project. A dispute arose between the two parties regarding payment for construction work and construction quality issues. On 16 August 2024, Nanjing Wind Power filed a lawsuit with the Intermediate People's Court of Huai'an District, alleging that Huai'an Zhongheng had failed to pay the overdue construction costs despite repeated demands. On 10 April 2025, Huai'an Zhongheng filed another lawsuit with the People's Court of Huai'an District for the repair and replacement costs as well as the power generation losses incurred due to the blade quality issues, requesting (1) Nanjing Wind Power to compensate for repair and replacement costs related to wind turbine equipment and blades amounting to RMB91.4958 million; (2) Nanjing Wind Power to compensate for costs related to quality inspection, verification, patrols, and repairs amounting to RMB4.3663 million; (3) Nanjing Wind Power to compensate for power generation losses amounting to RMB28.3827 million; and (4) Nanjing Wind Power to bear all litigation costs of this case. As of the date of approval for issue of the financial statements, the case is in the first-instance stage, and the Group believes that the outcome of the ruling and the compensation obligation (if any) cannot be reliably estimated.

(d) In January 2022, through its subsidiary (the "Fund Company"), the Company entered into a partnership agreement with China Communications Construction Second Highway Engineering Bureau Co., Ltd. ("China Communications Second Highway", hereinafter referred to as "CCC Second Highway") and other investors to jointly establish the Shenzhen ShenGao Infrastructure Private Equity Investment Fund Partnership Enterprise (Limited Partnership) ("Infrastructure Fund"). The fund primarily focuses on investments in the transportation infrastructure sector.The Fund Company serves as the general partner with a contribution ratio of 0.02%, while CCC Second Highway acts as a limited partner with a contribution ratio of 23.53%. The initial paid-in capital of the Infrastructure Fund amounted to RMB595 million, of which CCC Second Highway contributed RMB140 million.On January 24, 2025, CCC Second Highway submitted an arbitration application to the Shenzhen International Arbitration Center, asserting claims against the Fund Company and the Infrastructure Fund as follows: (1) Requesting the arbitration tribunal to terminate the Partnership Agreement between CCC Second Highway and the Fund Company; (2) Requesting the return of the investment principal and interest amounting to RMB144 million; (3) Requesting the Fund Company and the Infrastructure Fund to bear all arbitration costs and preservation fees associated with this case.On July 10, 2025, the Fund Company received notice from CCC Second Highway regarding its withdrawal from the Infrastructure Fund and the refund of its investment. As of the date of approval of these financial statements, the arbitration proceedings are ongoing. The Group believes that the outcome of the arbitration and any potential liability (if any) cannot be reliably estimated at this time.

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(e) On November 9, 2018, Guishen Company and Guizhou Zhide listed the transfer of 100% equity and related claims in four companies holding the Guilong Project Block II at the Shenzhen United Property Rights Exchange. Specifically, Guishen Company transferred 100% equity and corresponding claims in its subsidiary, Guizhou Shengbo Zhidi Co., Ltd., while Guizhou Zhide transferred 100% equity and corresponding claims in three of its subsidiaries: Guizhou Hengfengxin Zhidi Co., Ltd., Guizhou Henghongda Zhiye Co., Ltd., and Guizhou Yehongda Zhiye Co., Ltd. On January 23, 2019, Guizhou Xinhe Lifu Real Estate Development Co., Ltd. ("Xinhe Lifu") entered into an Equity and Claims Transfer Agreement with Guishen Company and Guizhou Zhide, acquiring 100% equity and corresponding claims in the aforementioned four companies. On June 30, 2025, Xinhe Lifu filed an arbitration application with the Shenzhen International Arbitration Center, alleging that the public information disclosed in the Listing Announcement and the Appraisal Report was not accurate. The Shenzhen International Arbitration Center accepted the case on August 13, 2025, and held a hearing on March 8, 2026. Xinhe Lifu made the following main claims: To reduce the contract price by RMB50.9135 million and to refund such amount; To pay interest loss of RMB49.6528 million for the use of the aforementioned funds; To compensate Xinhe Lifu for actual losses incurred in connection with the signing and performance of the contract, amounting to RMB23.5393 million; To refund RMB20.4120 million paid by Xinhe Lifu on May 13, 2019, along with interest loss of RMB18.3691 million. The total amount claimed by Xinhe Lifu amounts to RMB162.8867 million. As of June 30, 2026, the arbitration is still pending. The Group believes that the outcome of the arbitration and any potential liabilities (if any) cannot be reliably estimated at this time.

In addition to the matters mentioned above, as of June 30, 2026, the Group is unable to reliably estimate the contingent liabilities related to unresolved lawsuits and arbitration cases, the aggregate amount involved is approximately RMB193.6833 million.

XIII. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL POSITION STATEMENTS

1. On July 20, 2026, the Company successfully issued the second tranche of medium-term notes for the year 2026 under Shenzhen Expressway Group Co., Ltd. The actual issuance amount was RMB1,000.00 million, with a coupon rate of 1.55% and a term of 3 years. The proceeds raised in the current period will be utilised to repay mature outstanding debts of the Group.

2. On July 24, 2026, the Company successfully issued the first tranche of super short-term commercial paper for the year 2026 under Shenzhen Expressway Group Co., Ltd. The actual issuance amount was RMB1,000.00 million, with a coupon rate of 1.41% and a term of 0.75 years. The proceeds raised in the current period will be utilised to repay mature outstanding debts of the Group.

XIII. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL POSITION STATEMENTS (CONTINUED)

3. On August 7, 2026, the Company successfully issued the third tranche of medium-term notes for the year 2026 under Shenzhen Expressway Group Co., Ltd. The actual issuance amount was RMB1,000.00 million, with a coupon rate of 1.58% and a term of 3 years. The proceeds raised in the current period will be utilised to repay mature outstanding debts of the Group.

4. On July 31, 2026, the Shenzhen International Arbitration Center rendered an arbitral award in the case involving Xinhe Lifu, Guishen Company, and Guizhou Zhide. The award dismissed all of Xinhe Lifu's arbitration claims in full, and the arbitration costs were borne by Xinhe Lifu.

XIV. OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Basis for determination and accounting policies of reporting segments

According to the Group's internal organizational structure, management requirements and internal reporting system, the Group's operating business is divided into two operating segments. The Group's management regularly evaluates the operating results of these segments to determine the allocation of resources and evaluation of their performance. On the basis of operating segments, the Group has identified two reporting segments, namely the toll road segment and the environmental protection segment. These reporting segments are determined on the basis of their main business. The main products and services provided by each reporting segment of the Group: toll road segment takes charge of operation and management of toll roads in Chinese Mainland; environmental protection segment takes charge of the operation and management of environment-related infrastructure, mainly including solid waste treatment, clean energy power generation and other related fields; and other businesses principally comprise the provision of entrusted management services, advertising services, property development, finance leases, construction services under franchise arrangement and other services. These businesses cannot be separated into reportable segments.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

XIV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segment

For the six months ended 30 June 2026/As at 30 June 2026 (Unaudited)

RMB

Item	Toll road	Environmental protection	Others	Unallocated	Total
Revenue from external customers	2,233,026,602.47	730,266,607.42	689,560,188.83	–	3,652,853,398.72
Cost of services	1,173,373,007.52	563,900,865.37	585,550,051.87	–	2,322,823,924.76
Interest income	17,869,055.41	670,317.11	6,757,183.24	–	25,296,555.76
Interest expenses	79,439,354.00	56,410,963.89	239,434,231.77	–	375,284,549.66
Income from investment in associates and joint ventures	246,360,233.72	98,462,654.89	85,072,222.70	–	429,895,111.31
Credit impairment gains (losses)	(1,729,510.71)	(51,459,236.49)	(1,244,543.23)	–	(54,433,290.43)
Gains (losses) on impairment of assets	–	21,908.61	–	–	21,908.61
Gains (losses) on disposal of assets	–	–	(89,730.70)	–	(89,730.70)
Depreciation and amortization expenses	712,786,022.82	251,768,996.16	39,539,029.39	35,363,926.25	1,039,457,974.62
Total profit (total loss)	1,250,252,028.63	(31,306,733.16)	116,684,384.51	(166,593,476.39)	1,169,036,203.59
Income tax expenses	246,176,216.32	20,193,956.14	(78,564,786.17)	–	187,805,386.29
Net profit (net loss)	1,004,075,812.31	(51,500,689.30)	195,249,170.68	(166,593,476.39)	981,230,817.30
Total assets	43,461,905,016.20	17,113,415,008.05	7,948,806,578.54	1,924,289,055.23	70,448,415,658.02
Total liabilities	25,627,483,035.23	6,607,486,128.22	2,796,905,952.11	3,449,829,670.71	38,481,704,786.27
Long-term equity investments in associates and joint ventures	9,796,125,786.94	5,250,382,958.50	3,657,467,344.42	–	18,703,976,089.86
Amount of non-current assets (exclusive of financial assets, long-term equity investments, and deferred tax assets)	24,073,134,249.22	8,171,228,257.41	235,168,217.96	1,897,120,996.70	34,376,651,721.29

XIV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segment (Continued)

For the six months ended 30 June 2025 (Unaudited)/As at 31 December 2025 (Audited)

RMB

Item	Toll road	Environmental protection	Others	Unallocated	Total
Revenue from external customers	2,449,431,323.46	749,928,961.95	719,195,055.33	–	3,918,555,340.74
Cost of services	1,241,552,298.96	577,890,278.40	650,891,547.98	–	2,470,334,125.34
Interest income	20,022,656.11	1,177,440.03	13,859,663.53	6,834,820.32	41,894,579.99
Interest expenses	26,325,538.25	76,748,318.79	338,586,948.37	–	441,660,805.41
Income from investment in associates and joint ventures	266,970,254.98	98,481,188.89	27,728,725.08	–	393,180,168.95
Credit impairment gains (losses)	–	(72,606,353.56)	(2,039,206.40)	–	(74,645,559.96)
Gains (losses) on impairment of assets	–	(17,511,953.61)	–	–	(17,511,953.61)
Gains (losses) on disposal of assets	(54,929.89)	–	–	–	(54,929.89)
Depreciation and amortization expenses	828,160,787.02	253,986,707.36	41,851,488.10	36,409,697.11	1,160,408,679.59
Total profit (total loss)	1,250,159,671.71	108,235,629.57	27,539,547.08	(130,622,728.86)	1,255,312,119.50
Income tax expenses	272,608,127.00	19,718,786.61	(67,673,923.41)	–	224,652,990.20
Net profit (net loss)	977,551,544.71	88,516,842.96	95,213,470.49	(130,622,728.86)	1,030,659,129.30
Total assets	42,115,751,413.82	17,602,193,862.00	9,661,956,886.18	1,909,248,251.25	71,289,150,413.25
Total liabilities	26,716,023,167.67	6,907,278,007.18	2,565,519,683.94	3,047,847,544.29	39,236,668,403.08
Long-term equity investments in associates and joint ventures	10,775,680,774.77	5,162,190,718.21	3,717,351,709.90	–	19,655,223,202.88
Amount of non-current assets (exclusive of financial assets, long-term equity investments, and deferred tax assets)	24,525,580,628.54	8,203,084,425.71	146,052,902.62	1,900,345,280.19	34,775,063,237.06

(3) Other descriptions

The Group's revenue from external customers and the non-current assets other than financial assets and deferred tax assets are all derived from the PRC.

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Accounts receivable disclosed by aging

RMB

Aging	Closing balance (Unaudited)	Opening balance (Audited)
Within 1 year	**55,179,259.70**	52,987,970.15
1 to 2 years	**14,099,871.30**	20,291,455.21
2 to 3 years	**19,403,306.88**	29,697,167.74
Over 3 years	**25,102,362.03**	4,838,866.44
Total	**113,784,799.91**	107,815,459.54

(2) Accounts receivable disclosed by method of bad debt provision

RMB

Category	Closing balance (Unaudited)					Opening balance (Audited)				
	Gross carrying amount		Bad debt provision			Gross carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion (%)	Carrying amount
Bad debt provision assessed on a portfolio basis according to credit risk characteristics										
Portfolio I	**96,235,928.41**	**84.58**	**–**	**–**	**96,235,928.41**	89,947,124.34	83.43	–	–	89,947,124.34
Portfolio IV	**17,548,871.50**	**15.42**	**–**	**–**	**17,548,871.50**	17,868,335.20	16.57	–	–	17,868,335.20
Total	**113,784,799.91**	**100.00**	**–**	**–**	**113,784,799.91**	107,815,459.54	100.00	–	–	107,815,459.54

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3) Top five accounts receivable and contract assets categorized by debtor

RMB

Name of entity	Closing balance of accounts receivable (Unaudited)	Closing balance of contract assets (Unaudited)	Closing balance of accounts receivable and contract assets (Unaudited)	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts (Unaudited)
Coastal Company	59,199,528.26	–	59,199,528.26	25.89	–
Const. & Dvpt Company	–	55,565,163.59	55,565,163.59	24.30	–
Shenzhen Ecology and Environment Bureau	–	25,142,255.48	25,142,255.48	11.00	–
Outer Ring Company	19,243,795.46	–	19,243,795.46	8.42	–
Shenzhen Transport Public Facilities Construction Center	–	14,614,939.05	14,614,939.05	6.39	–
Total	**78,443,323.72**	**95,322,358.12**	**173,765,681.84**	**76.00**	**–**

2. Other receivables

2.1 Presentation of other receivables

RMB

Item	Closing balance (Unaudited)	Opening balance (Audited)
Dividends receivable	**27,643,009.50**	–
Other receivables	**776,231,600.14**	1,719,794,681.33
Total	**803,874,609.64**	1,719,794,681.33

2.2 Dividends receivable

(1) Dividends receivable

RMB

Investee	Closing balance (Unaudited)	Opening balance (Audited)
Bank of Guizhou Co., Ltd.	**25,560,000.00**	–
Water Planning and Design Institute	**2,083,009.50**	–
Total	**27,643,009.50**	–

(2) There was no significant dividends receivable aged over one year

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.3 Other receivables

(1) Other receivables disclosed by aging

RMB

Aging	Closing balance (Unaudited)	Opening balance (Audited)
Within 1 year	**306,609,478.18**	1,249,161,776.76
1 to 2 years	**12,696,153.93**	20,250,556.85
2 to 3 years	**14,511,342.69**	101,477,375.67
Over 3 years	**442,414,625.34**	348,904,972.05
Sub-total	**776,231,600.14**	1,719,794,681.33
Less: Bad debt provision for other receivables	**–**	–
Total	**776,231,600.14**	1,719,794,681.33

(2) Other receivables analyzed by nature

RMB

Nature	Closing balance (Unaudited)	Opening balance (Audited)
Receivables from subsidiaries for financial assistance	**590,599,476.97**	1,516,803,303.78
Advances receivable	**174,342,286.79**	189,654,435.80
Others	**11,289,836.38**	13,336,941.75
Total	**776,231,600.14**	1,719,794,681.33

(3) Top five other receivables categorized by debtor

RMB

Name of entity	Closing balance (Unaudited)	Proportion to total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts (Unaudited)
Nanjing Wind Power	332,667,799.89	42.86	Borrowings receivable	Over 3 years	–
Guangming Environment Technology	133,702,724.29	17.22	Borrowings receivable, advances receivable	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	–
Highway Investment	75,057,156.35	9.67	Borrowings receivable, advances receivable	Within 1 year, 2 to 3 years	–
Environment Company	51,094,434.95	6.58	Borrowings receivable	Within 1 year	–
Operation Development Company	49,957,393.76	6.44	advances receivable	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	–
Total	**642,479,509.24**	**82.77**			

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

RMB

Investee	Opening balance (Audited)	Changes for the period								Closing balance (Unaudited)	Closing balance of provision for impairment
		Addition	Reduction	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others		
Associates and joint ventures:											
Yangmao Company	812,462,842.81	–	–	25,301,557.16	–	–	(32,073,259.13)	–	–	**805,691,140.84**	–
United Land Company	702,247,562.62	–	–	9,918,569.14	–	–	–	–	–	**712,166,131.76**	–
E Fund – Shenzhen Expressway REITs (code: 508033)	682,236,131.70	–	–	8,930,888.26	–	–	(18,096,000.00)	–	–	**673,071,019.96**	–
Nanjing Third Bridge Company	454,411,172.51	–	–	29,377,790.62	–	–	(41,448,487.78)	–	–	**442,340,475.35**	–
GZ W2 Company	373,373,322.57	–	–	25,886,513.39	–	–	(47,729,600.00)	–	–	**351,530,235.96**	–
Shengchuang Fund	10,897,202.21	–	–	(886,892.73)	–	–	–	–	–	**10,010,309.48**	–
Others	1,754,512,617.28	–	–	46,768,452.63	(24,310,720.80)	–	(25,560,000.00)	–	(67,376,956.00)	**1,684,033,393.11**	–
Sub-total	4,790,140,851.70	–	–	145,296,878.47	(24,310,720.80)	–	(164,907,346.91)	–	(67,376,956.00)	**4,678,842,706.46**	–
Investment in subsidiaries:											
Mei Wah Company	9,886,452,404.02	–	–	–	–	–	–	–	–	**9,886,452,404.02**	373,893,131.20
Outer Ring Company	8,080,000,000.00	400,000,000.00	–	–	–	–	–	–	–	**8,480,000,000.00**	–
Environment Company	6,550,000,000.00	–	–	–	–	–	–	–	–	**6,550,000,000.00**	–
New Energy Company	2,161,250,000.00	–	–	–	–	–	–	–	–	**2,161,250,000.00**	–
Coastal Company	1,787,939,407.88	–	–	–	–	–	–	–	–	**1,787,939,407.88**	–
Qinglian Company	1,072,668,891.00	–	–	–	–	–	–	–	–	**1,072,668,891.00**	678,765,149.21
Expressway Investment	1,000,000,000.00	–	–	–	–	–	–	–	–	**1,000,000,000.00**	–
Financial Leasing Company	678,193,419.87	–	–	–	–	–	–	–	–	**678,193,419.87**	–
Meiguan Company	521,260,142.34	–	–	–	–	–	–	–	–	**521,260,142.34**	–

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

RMB

Investee	Opening balance (Audited)	Changes for the period								Closing balance (Unaudited)	Closing balance of provision for impairment
		Addition	Reduction	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others		
Investment in subsidiaries: - continued											
Infrastructure Environmental Protection Development Company	224,764,077.66	62,244,917.47	–	–	–	–	–	–	–	**287,008,995.13**	108,429,424.09
Guangming Environment Technology	200,000,000.00	–	–	–	–	–	–	–	–	**200,000,000.00**	–
Longda Company	103,816,567.61	–	–	–	–	–	–	–	–	**103,816,567.61**	–
Qinglong Company	101,477,197.16	–	–	–	–	–	–	–	–	**101,477,197.16**	–
Operation Development Company	33,325,000.01	–	–	–	–	–	–	–	–	**33,325,000.01**	–
Shenchang Company	33,280,762.94	–	–	–	–	–	–	–	–	**33,280,762.94**	–
Construction Development Company	30,000,000.00	–	–	–	–	–	–	–	–	**30,000,000.00**	–
Fund Company	10,000,000.00	–	–	–	–	–	–	–	–	**10,000,000.00**	–
Shenzhen Expressway Business	4,000,000.00	–	–	–	–	–	–	–	–	**4,000,000.00**	–
Expressway Digital Technology	2,550,000.00	–	–	–	–	–	–	–	–	**2,550,000.00**	–
Yichang Operation & Management	2,300,000.00	–	–	–	–	–	–	–	–	**2,300,000.00**	–
Baotou Nanfeng	1,280,900.27	–	–	–	–	–	–	–	–	**1,280,900.27**	–
Sub-total	32,484,558,770.76	462,244,917.47	–	–	–	–	–	–	–	**32,946,803,688.23**	1,161,087,704.50
Total	37,274,699,622.46	462,244,917.47	–	145,296,878.47	(24,310,720.80)	–	(164,907,346.91)	–	(67,376,956.00)	**37,625,646,394.69**	1,161,087,704.50

Note: The detailed information about investment in associates and joint ventures is set out in Note V, 12.

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Operating income and cost of services

RMB

Item	For the six months ended 30 June 2026 (Unaudited)		For the six months ended 30 June 2025 (Unaudited)	
	Income	Cost	Income	Cost
Main businesses	**605,433,898.31**	**168,158,583.65**	608,718,637.40	157,672,598.21
Other businesses	**248,343,034.85**	**218,131,959.60**	108,951,317.37	90,454,364.11
Total	**853,776,933.16**	**386,290,543.25**	717,669,954.77	248,126,962.32

5. Investment income

RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Income from long-term equity investments under the cost method	**212,000,000.00**	281,043,170.78
Income from long-term equity investments under the equity method	**145,296,878.47**	126,921,467.17
Investment income from other non-current financial assets	**11,045,842.89**	12,390,564.24
Investment income from financial products	**1,310,674.48**	–
Total	**369,653,395.84**	420,355,202.19

XVI. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the period

RMB

Item	Amount
Profit or loss on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	169,636.95
Government grants recognized in profit or loss (other than government grants which are closely related to the Company's business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	18,589,491.06
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on disposal of financial assets and financial liabilities, other than those used in the effective hedging activities relating to normal operating business	(107,863,751.45)
Other non-operating income and expenses other than the above	(16,259,972.69)
Less: Tax effects	(26,143,163.32)
Effects attributable to minority interests	2,894,435.24
Total	(82,115,868.05)

Basis for preparation of the breakdown of non-recurring profit or loss

According to *Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Non-Recurring Profit or Loss (Revised in 2023)* issued by China Securities Regulatory Commission, non-recurring profit or loss arises from transactions or events that are not directly related to the normal business operations, or transactions or events that are related to normal business operations but are so extraordinary that would have an impact on users of the financial statements when making proper judgments on the performance and profitability of the Company.

XVI. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share

The return on net assets and earnings per share have been prepared by Shenzhen Expressway Corporation Limited in accordance with the *Rules Governing the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share* (revised in 2010) issued by China Securities Regulatory Commission.

RMB

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	3.77	0.346	0.346
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	4.13	0.378	0.378

2.1 Calculation of earnings per share

(1) Basic earnings per share

RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Net profit attributable to shareholders and other equity holders of the Company	**918,846,192.90**	959,891,990.84
Less: Interest on perpetual bonds	**41,222,222.14**	53,840,833.33
Consolidated net profit attributable to ordinary shareholders of the Company	**877,623,970.76**	906,051,157.51
Weighted average number of ordinary shares outstanding	**2,537,856,127.00**	2,370,163,900.01
Basic earnings per share (RMB/share)	**0.346**	0.382

XVI. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share (Continued)

2.1 Calculation of earnings per share (Continued)

Weighted average number of ordinary shares is calculated as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Issued ordinary shares at the beginning of the period	**2,537,856,127.00**	2,180,770,326.00
Effect of new shares issued	**–**	189,393,574.01
Weighted average number of ordinary shares at the end of the period	**2,537,856,127.00**	2,370,163,900.01

(2) Basic earnings per share excluding extraordinary gains and losses

Basic earnings per share excluding extraordinary gains and losses is calculated by dividing consolidated net profit excluding extraordinary gains and losses attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Net profit attributable to shareholders and other equity holders of the Company	**918,846,192.90**	959,891,990.84
Less: Extraordinary gains and losses attributable to ordinary shareholders of the Company	**(82,115,868.05)**	60,240,771.99
Less: Interest on perpetual bonds	**41,222,222.14**	53,840,833.33
Consolidated net profit excluding extraordinary gains and losses and interest on perpetual bonds attributable to the Company's ordinary equity shareholders	**959,739,838.81**	845,810,385.52
Weighted average number of ordinary shares outstanding	**2,537,856,127.00**	2,370,163,900.01
Basic earnings per share excluding extraordinary gains and losses (RMB/share)	**0.378**	0.357

(3) Diluted earnings per share

In the first half of 2026 and the first half of 2025, there were no potential diluted ordinary shares of the Group, therefore diluted earnings per share is equal to basic earnings per share.

XVI. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share (Continued)

2.2 Calculation of weighted average return on net assets

(1) Weighted average return on net assets

Weighted average return on net assets is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Net profit attributable to shareholders and other equity holders of the Company	**918,846,192.90**	959,891,990.84
Less: Interest on perpetual bonds	**41,222,222.14**	53,840,833.33
Consolidated net profit attributable to ordinary shareholders of the Company	**877,623,970.76**	906,051,157.51
Weighted average amount of consolidated net assets attributable to the Company's ordinary equity shareholders	**23,251,975,701.01**	20,858,242,368.75
Weighted average return on net assets	**3.77%**	4.34%

(2) Weighted average return on net assets excluding extraordinary gains and losses

Weighted average return on net assets excluding extraordinary gains and losses is calculated by dividing consolidated net profit excluding extraordinary gains and losses attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Consolidated net profit excluding extraordinary gains and losses and interest on perpetual bonds attributable to the Company's ordinary equity shareholders	**959,739,838.81**	845,810,385.52
Weighted average amount of consolidated net assets attributable to the Company's ordinary equity shareholders	**23,251,975,701.01**	20,858,242,368.75
Weighted average return on net assets excluding extraordinary gains and losses	**4.13%**	4.06%

- *Unless otherwise stated, the amounts stated in this report are in RMB.*
- *The total of breakdown and the total may not equal in mantissa due to rounding.*

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

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