

2024 Annual Report



深圳高速公路集团股份有限公司
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))

Cautionary Statement in relation to Forward-looking Statement:

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

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

Member of Shenzhen International Holdings Limited



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DEFINITION AND CAUTIONARY STATEMENT

1. Definitions

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

Reporting Period	For the twelve months from 1 January 2024 to 31 December 2024.
Reporting date	The date on which the Annual Report 2024 of the Company is approved by the Board, being 21 March 2025.
YOY	Year-on-year change rate as compared to the same period of 2023.
The Company, Shenzhen Expressway	Shenzhen Expressway Corporation Limited.
The Group	The Company and its consolidated subsidiaries.
RMB/yuan	Renminbi yuan, the lawful currency of PRC.
CSRC	China Securities Regulatory Commission.
SFC	Securities and Futures Commission of Hong Kong.
SSE	The Shanghai Stock Exchange.
SZEX	The Shenzhen Stock Exchange.
HKEX	The Stock Exchange of Hong Kong Limited.
Listing Rules	The Rules Governing the Listing of Securities on HKEx and/or the Rules Governing the Listing of Stocks on SSE (as the case may be).
CASBE	The Accounting Standards for Business Enterprises (2006) of the PRC and the specific accounting standards as well as relevant provisions issued later.
State Council	State Council of the People's Republic of China (中華人民共和國國務院).

SASAC	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
NDRC	National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會).
MOT	Ministry of Transport of the People's Republic of China (中華人民共和國交通運輸部).
National Energy Administration	National Energy Administration of the People's Republic of China (中華人民共和國國家能源局).
Ministry of Finance	Ministry of Finance of the People's Republic of China (中華人民共和國財政部).
Ministry of Industry and Information Technology	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部).
Ministry of Ecology and Environment	Ministry of Ecology and Environment of the People's Republic of China (中華人民共和國生態環境部).
Ministry of Housing and Urban-Rural Development	Ministry of Housing and Urban-Rural Development of the People's Republic of China (中華人民共和國住房和城鄉建設部).
Guangdong PDRC	Guangdong Provincial Development and Reform Commission (廣東省發展和改革委員會).
Shenzhen SASAC	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會).
Shenzhen Transport Bureau	Transport Bureau of Shenzhen Municipality (深圳市交通運輸局).
SIHC	Shenzhen Investment Holdings Company Limited (深圳市投資控股有限公司).



DEFINITION AND CAUTIONARY STATEMENT

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).
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).
GDRB Company	Guangdong Roads and Bridges Construction Development Company Limited (廣東省路橋建設發展有限公司).
Shenzhen International (Shenzhen)	Shenzhen International Holdings (SZ) Limited (深國際控股(深圳)有限公司).
SIICH	Shenzhen Investment International Capital Holdings Company Limited (深圳投控國際資本控股有限公司), a wholly-owned subsidiary of SIHC.
SIICHIC	Shenzhen Investment International Capital Holdings Infrastructure Company Limited (深圳投控國際資本控股基建有限公司).
Vanke Group	China Vanke Company Limited (萬科企業股份有限公司) and its consolidated subsidiaries.
Guangming Environment	Shenzhen Guangming Environment Technology Company Limited (深圳光明深高速環境科技有限公司).
Guishen Company	Guizhou Guishen Investment Development Company Limited (貴州貴深投資發展有限公司).

Bank of Guizhou	Bank of Guizhou Company Limited (貴州銀行股份有限公司).
Huayu Company	Shenzhen Huayu Expressway Investment Company Limited (深圳市華昱高速公路投資有限公司).
Environmental Company	Shenzhen Expressway Environmental Company Limited (深圳高速環境有限公司).
Infrastructure and Environmental Protection Company	Shenzhen Expressway Infrastructure and Environmental Protection Development Company Limited (深圳深高速基建環保開發有限公司).
Fund Company	Shenzhen Expressway Private Equity Industrial Investment Fund Management Company Limited (深圳高速私募產業投資基金管理有限公司).
Construction Company	Shenzhen Expressway Construction Development Company Limited (深圳高速建設發展有限公司).
Architecture Technology Company	Shenzhen Expressway Architecture Technology Development Company Limited (深圳高速建築科技發展有限公司).
Asphalt Technology Company	Shenzhen Expressway Asphalt Technology Development Company Limited (深圳高速瀝青科技發展有限公司).
Longda Company	Shenzhen Longda Expressway Company Limited (深圳龍大高速公路有限公司).
Meiguan Company	Shenzhen Meiguan Expressway Company Limited (深圳市梅觀高速公路有限公司).
Nanjing Third Bridge Company	Nanjing Yangtze River Third Bridge Company Limited (南京長江第三大橋有限責任公司).
Qinglian Company	Guangdong Qinglian Highway Development Company Limited (廣東清連公路發展有限公司).



DEFINITION AND CAUTIONARY STATEMENT

Qinglong Company	Shenzhen Qinglong Expressway Company Limited (深圳清龍高速公路有限公司).
Financial Leasing Company	Shenzhen Expressway Financial Leasing Company Limited (深圳市深高速融資租賃有限公司).
Business Company	Shenzhen Expressway Business Company Limited (深圳深高速商務有限公司).
Shenchang Company	Changsha Shenchang High Speed Trunk Road Company Limited (長沙市深長快速幹道有限公司).
Digital Technology Company	Shenzhen Expressway Digital Technology Company Limited (深圳高速公路集團數字科技有限公司).
Shenshan Qiantai	Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Company Limited (深圳深汕特別合作區乾泰技術有限公司).
Investment Company	Shenzhen Expressway Investment Company Limited (深圳高速投資有限公司).
Outer Ring Company	Shenzhen Outer Ring Expressway Investment Company Limited (深圳市外環高速公路投資有限公司).
Property Company	Shenzhen Expressway Property Management Company Limited (深圳高速物業管理有限公司).
GZ W2 Company	Guangzhou Western Second Ring Expressway Company Limited (廣州西二環高速公路有限公司).
Coastal Company	Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司).
Yangmao Company	Guangdong Yangmao Expressway Company Limited (廣東陽茂高速公路有限公司).

Yichang Company	Hunan Yichang Expressway Development Company Limited (湖南益常高速公路開發有限公司).
Yunji Intelligent (Former Consulting Company)	Yunji Intelligent Engineering Holding Company Limited (雲基智慧工程股份有限公司).
Operation Development Company	Shenzhen Expressway Operation Development Company Limited (深圳高速運營發展有限公司).
Engineering Development Company	Shenzhen Expressway Engineering Development Company Limited (深圳高速工程發展有限公司).
JEL	Jade Emperor Limited (捷德安派有限公司).
Fameluxe Investment	Fameluxe Investment Limited (豐立投資有限公司).
Maxprofit	Maxprofit Gain Limited.
Mei Wah Company	Mei Wah Industrial (Hong Kong) Limited (美華實業(香港)有限公司).
Logistics Financial Company	China Logistics Financial Services Limited (中國物流金融服務有限公司).
Yichang Operation Management Company	Hunan Yichang Expressway Operation Management Company Limited (湖南益常高速公路運營管理有限公司).
E Fund SZ Expressway REIT	E Fund Shenzhen Expressway Closed-End Infrastructure Securities Investment Fund, which is listed on the Shanghai Stock Exchange, stock code: 508033, whereas the on-site abbreviation is "SGS REIT" and the extended abbreviation has been determined as "E Fund SZ Expressway REIT".



DEFINITION AND CAUTIONARY STATEMENT

Meiguan Expressway	The expressway from Meilin to Guanlan in Shenzhen City. <i>The Toll-Free Section of Meiguan Expressway</i> 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. <i>The Toll Section of Meiguan Expressway</i> 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 <i>Jihe East</i> (Qinghu to He'ao) and <i>Jihe West</i> (Airport to Qinghu).
Jihe Expressway R&E Project	The reconstruction and expansion project of the section from He'ao to Shenzhen Airport of Shenyang-Haikou National Expressway
Shuiguan Expressway	The expressway from Shuijingcun to Guanjintou in Shenzhen City.
Shuiguan Extension	An extension to Shuiguan Expressway, Phase I of <i>Qingping Expressway</i> (the expressway from Yulongkeng to Pinghu in Shenzhen City).
Outer Ring Project	The project of Shenzhen section of Outer Ring Expressway in Shenzhen City (referred to as <i>Outer Ring Expressway</i>), 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 <i>Outer Ring Phase I</i>) has opened to traffic on 29 December 2020. The section with the length of 9.35 km from the end of Longgang Section of Outer Ring Phase I to Kengzi via Pingdi etc. (referred to as <i>Outer Ring Phase II</i>) has opened to traffic on 1 January 2022. The section with the length of 16.8 km from Kengzi to Dapeng (referred to as <i>Outer Ring Phase III</i>) 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 <i>Coastal Expressway (Shenzhen Section)</i>) of the coastal expressway from Guangzhou to Shenzhen (referred to as <i>Coastal Expressway</i>). Among which, the project of the main line of Coastal Expressway (Shenzhen Section) and related facilities are referred to as <i>Coastal Phase I</i> , and the project of the ramp bridge of airport interchange of Coastal Expressway (Shenzhen Section) and related facilities are referred to as <i>Coastal Phase II</i> .

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 (referred to as the Four Expressways), all of which have been transferred to Shenzhen Transport Bureau from 0:00 on 1 January 2019.
Bay Area Development	Shenzhen Investment Holdings Bay Area Development Company Limited (深圳投控灣區發展有限公司), a red chip company listed on the HKEx, stock code: 00737.
Shenwan Infrastructure	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited (深灣基建(深圳)有限公司).



DEFINITION AND CAUTIONARY STATEMENT

Guangshenzhu Company	Guangshenzhu Expressway Co., Ltd, which is mainly engaged in the investment, construction, operation and management of Guangzhou-Shenzhen Expressway. Bay Area Development is indirectly entitled a 45% profit-sharing interest in Guangshenzhu Company.
Hopewell Development	Hopewell China Development (Superhighway) Limited (合和中國發展(高速公路)有限公司), a subsidiary in which Bay Area Development holds a 97.5% interest, holds a 45% profit-sharing interest in Guangshenzhu Company.
Guangdong Construction	Guangdong Provincial Highway Construction Company Limited (廣東省公路建設有限公司), which holds a 55% 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.
Guilong Project	The construction project of phase I of Guilong Road in Longli, Guizhou under BT model and the primary development project of relevant land which is undertaken by the Group.
Longli River Bridge Project (Former Duohua Bridge Project)	A road construction project from Jichang Village to Duohua Village in Longli County undertaken by Guishen Company under BT model. The major part of the project is Longli River Bridge.

Bimeng Project	The Bimeng Garden community resettlement project in Longli, Guizhou is undertaken by the Group with BT model.
Guizhou Property	Guizhou Shenzhen Expressway Property Company Limited (貴州深高速置地有限公司).
Guizhou Hengtongli	Guizhou Hengtongli Property Company Limited (貴州恒通利置業有限公司).
Land of Longli Project	The peripheral land of Guilong Project and the Longli River Bridge Project which were successfully bid by the Group. As at the end of the Reporting Period, the Group has cumulatively won the bids for the land of Longli Project with an area of approximately 3,038 mu, including 2,770 mu for Guilong Project and 269 mu for the Longli River Bridge Project.
Guilong Development Project	The proprietary secondary development project of the land with an area of over 1,000 mu in Guilong Project, which is conducted by the Group with approval from the Board.
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 and the area of the land is approximately 96,000 square meters.
Shenzhen Water Planning	Shenzhen Water Planning & Design Institute Company Limited (深圳市水務規劃設計院股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 301038.
Derun Environment	Chongqing Derun Environment Company Limited (重慶德潤環境有限公司).
Chongqing Water	Chongqing Water Group Company Limited (重慶水務集團股份有限公司), a company listed on the SSE, stock code: 601158.
Sanfeng Environment	Chongqing San Feng Environmental Industrial Group Company Limited (重慶三峰環境集團股份有限公司), a company listed on the SSE, stock code: 601827.
Nanjing Wind Power	Nanjing Wind Power Technology Company Limited (南京風電科技有限公司).



DEFINITION AND CAUTIONARY STATEMENT

Baotou Nanfeng	Baotou Nanfeng Wind Power Technology Company Limited (包頭市南風風電科技有限公司).
Damao Ningyuan	Damao Ningyuan Wind Power Company Limited (達茂旗寧源風力發電有限公司), a wholly-owned subsidiary of Baotou Nanfeng.
Damao Ningxiang	Damao Ningxiang Wind Power Company Limited (達茂旗寧翔風力發電有限公司), a wholly-owned subsidiary of Baotou Nanfeng.
Damao Ningfeng	Damao Ningfeng Wind Power Company Limited (達茂旗寧風風力發電有限公司), a wholly-owned subsidiary of Baotou Nanfeng.
Damao Nanchuan	Damao Nanchuan Wind Power Company Limited (達茂旗南傳風力發電有限公司), a wholly-owned subsidiary of Baotou Nanfeng.
Lingxiang Company	Baotou Lingxiang New Energy Company Limited (包頭市陵翔新能源有限公司), a wholly-owned subsidiary of Baotou Nanfeng.
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).
Weining Energy	State Power Investment Corporation Guizhou Jinyuan Weining Energy Company Limited (國家電投集團貴州金元威寧能源股份有限公司).
Jinshen New Energy	Shenzhen Jinshen New Energy Company Limited (深圳金深新能源有限公司).
Ziyun Jinshen	Guizhou Ziyun Jinshen New Energy Company Limited (貴州紫雲金深新能源有限公司).
Yuansheng New Energy	Xingren Yuansheng New Energy Company Limited (興仁市元盛新能源有限公司).

Jinxin New Energy	Duyun Jinxin New Energy Company Limited (都勻市金鑫新能源有限公司).
Guangdong New Energy	Shenzhen Expressway (Guangdong) New Energy Investment Company Limited (深高速(廣東)新能源投資有限公司).
Huai'an Zhongheng	Huai'an Zhongheng New Energy Company Limited (淮安中恒新能源有限公司).
SPIC Fujian Company	State Power Investment Corporation Fujian Electric Power Company Limited (國家電投集團福建電力有限公司).
Nanjing Avis	Nanjing Avis Transmission Technology Company Limited (南京安維士傳動技術股份公司).
Fenghe Energy	Shenzhen Fenghe Energy Investment Limited (深圳峰和能源投資有限公司).
Yongcheng Zhuneng	The 32 MW wind power project in Yongcheng City, Shangqiu City, Henan Province.
Zhongwei Gantang	The 49.5 MW wind power project in Gantang, Zhongwei City, Ningxia Province.
Xinjiang Mulei	The wind power project of Changji Mulei Laojunmiao Wind Farm in Xinjiang Zhundong New Energy Base, including Qianzhi, Qianhui and QianXin projects.
Qianzhi	Xinjiang Mulei County Qianzhi New Energy Development Company Limited (新疆木壘縣乾智能源開發有限公司).
Qianhui	Xinjiang Mulei County Qianhui New Energy Development Company Limited (新疆木壘縣乾慧能源開發有限公司).
Qianxin	Xinjiang Mulei County Qianxin New Energy Development Company Limited (新疆木壘縣乾新能源開發有限公司).



DEFINITION AND CAUTIONARY STATEMENT

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 (湖南省邵陽市餐廚垃圾收運處置特許經營項目).
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).
Gaoleyi	Shenzhen Expressway Gaoleyi Health and Elderly Care Services Limited (深圳高速高樂亦健康養老有限公司).
Fengrunjiu	Shenzhen Guangming Fengrunjiu Health Services Limited (深圳光明鳳潤玖健康服務有限公司).
BOT (model)	Build-Operate-Transfer model, refer to the infrastructure model of investment, construction and operation. Premised on an agreement between the government and the private sector, the government issues a franchise to the private sector to allow it to raise funds for a certain period of time to build infrastructure, manage and operate the facility and its corresponding products and services.

EPC (model)	Engineering Procurement Construction model means the company is entrusted by the owner to carry out the whole process or several stages of contracting for the design, procurement, construction, and trial operation of a construction project in accordance with the contract. Usually, the company is responsible for the quality, safety, cost and schedule of the contracted project under the conditions of the total price contract.
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. It is a digitised tool applied to engineering design, construction and management. Meanwhile, the model plays a key role in enhancing productivity, saving costs and shortening construction periods.
ETC	Electronic Toll Collection, a system used to electronically collect tolls on highways.
Coastal Freight Compensation Scheme	Shenzhen Transport Bureau and the Company entered into the freight compensation agreement, wherein it is agreed that during the period from 1 January 2021 to 31 December 2024, the vehicles passing the Coastal Project should be charged at 50% of the standard rate of the toll, and such toll waived by the Company and Coastal Company shall be compensated by the government in a one-off manner in March of the following year.
ISCC	International Sustainability & Carbon Certification (國際可持續發展與碳認證), enterprises that have obtained this certification have production processes and products that meet the requirements of international sustainable development, which helps enhance their international brand image and market competitiveness.

Note:

1. For principal business of the investee companies of the Company, please refer to the Group Structure in "Introduction of the Company" of this report.
2. For information on the projects operated, invested and managed by the Company, please refer to the website of the Company at <http://www.sz-expressway.com>.

II. Cautionary Statement on Risk

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



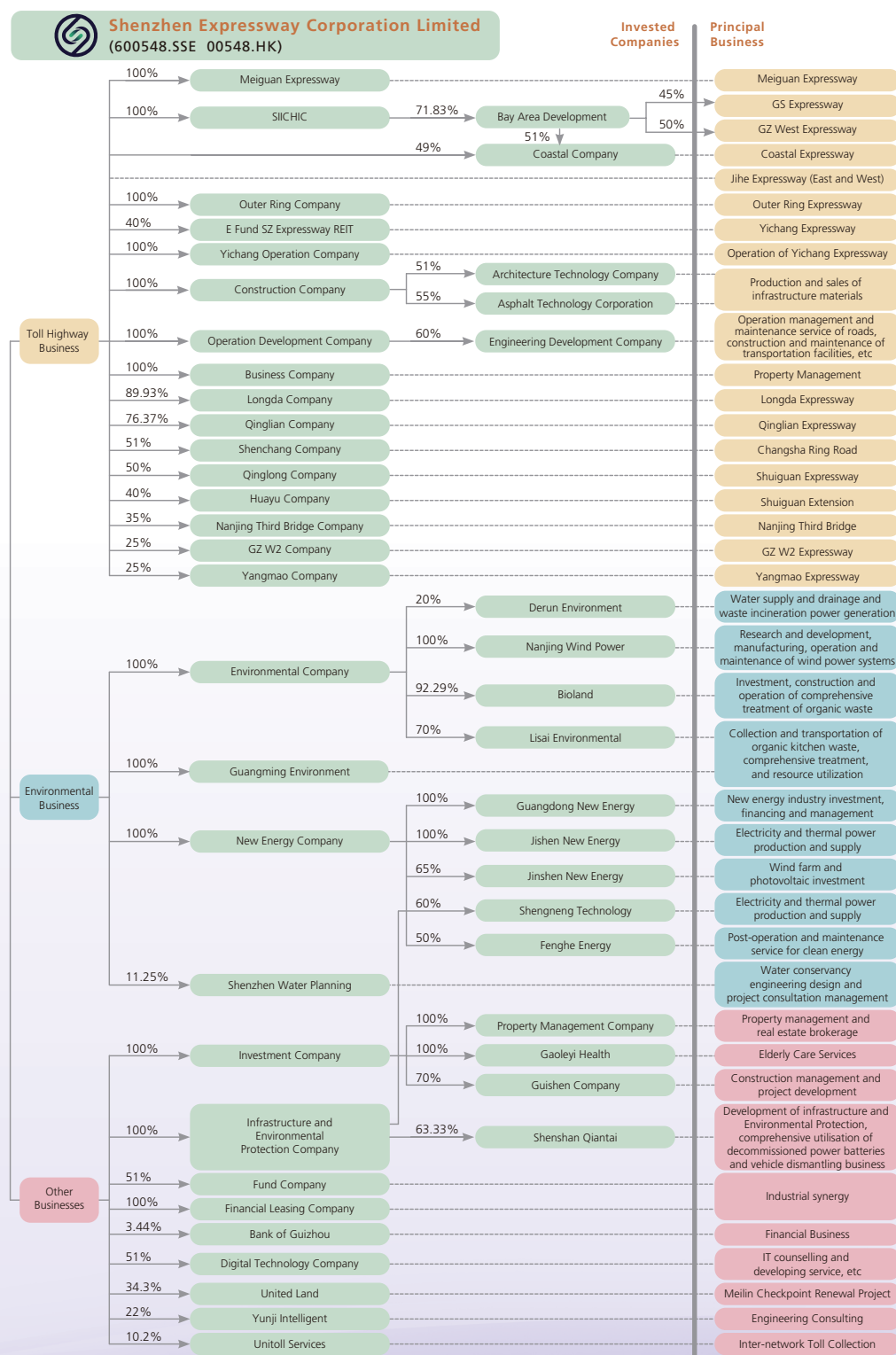
INTRODUCTION OF THE COMPANY

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

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

As of the end of this reporting period, a total of 2,180,770,326 ordinary shares are issued by the Company, of which 1,433,270,326 A Shares are listed on SSE and 747,500,000 H Shares are listed on HKEx, representing approximately 65.72% and 34.28% of the total share capital of the Company, respectively. The largest shareholder of the Company is XTC Company, one of the promoters of the Company, which currently holds approximately 30.03% of the Company's shares. XTC Company is a wholly-owned subsidiary of Shenzhen International (stock code: 00152) which is listed on HKEx. Shenzhen International indirectly holds a total of 51.561% of the Company's shares and is the indirect controlling shareholder of the Company.

At the end of the Reporting Period, the Group's principal investee companies and business structure are as follows:



Note: This structure chart only includes the first level and second level subsidiaries of the Group, and the third level and below subsidiaries are not listed.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

I. Financial Data and Financial Indicators of the Year

Item (Unit: RMB)	2024	2023	Change as compared to last year (%)	2022	
				After adjustment	Before adjustment
Revenue	9,245,691,487.27	9,295,304,371.69	-0.53	9,372,582,546.59	9,372,582,546.59
Net profit attributable to owners of the Company	1,145,048,951.69	2,327,197,196.81	-50.80	2,016,496,533.08	2,014,112,457.01
Net profit attributable to owners of the Company – excluding non-recurring items	1,074,021,625.75	2,240,100,027.08	-52.05	1,228,230,901.37	1,225,846,825.30
Net cash flows from operating activities	3,717,306,471.14	4,094,812,227.87	-9.22	3,369,490,111.19	3,369,490,111.19

Item (Unit: RMB)	As at 31 Dec 2024	As at 31 Dec 2023	Change as compared to last year (%)	As at 31 Dec 2022	
				After adjustment	Before adjustment
Owners' equity attributable to owners of the Company	21,903,521,723.27	22,357,997,457.11	-2.03	21,348,467,566.83	21,346,287,718.08
Total assets	67,558,030,948.58	67,507,469,090.77	0.07	69,204,698,015.50	69,201,468,263.76

Item	2024	2023	Change as compared to last year (%)	2022	
				After adjustment	Before adjustment
Earnings per share – basic (RMB/share)	0.441	0.982	-55.09	0.839	0.838
Earnings per share – diluted (RMB/share)	0.441	0.982	-55.09	0.839	0.838
Earnings per share excluding non-recurring items – basic (RMB/share)	0.409	0.942	-56.58	0.478	0.477
Return on equity – weighted average (%)	5.31	11.99	Decrease 6.68 pct.pt	9.93	9.93
Return on equity excluding non-recurring items – weighted average (%)	4.93	11.53	Decrease 6.60 pct.pt	5.65	5.65

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

1. On 30 November 2022, the Ministry of Finance issued and implemented the “Interpretation of Accounting Standards for Business Enterprises (No. 16)”, which stipulates “the accounting treatment for deferred tax assets and liabilities related to single transactions that are not subject to the initial recognition exemption”, effective from 1 January 2023. For the lease liabilities and right-of-use assets recognised at the beginning of the earliest period presented in the financial statements upon initial application of the regulation, as well as the recognised provisions for decommissioning obligations and corresponding related assets, which result in taxable temporary differences and deductible temporary differences, the Group adjusts the retained earnings at the beginning of the earliest period presented in the financial statements and other related financial statement items according to the regulation and the provisions of “Accounting Standard for Business Enterprises No. 18 – Income Taxes”.
2. In 2020, the Company issued 4 billion of perpetual bonds and recognised them in other equity instruments. The Company deducted the impact of perpetual bonds when calculating the earnings per share and weighted average return on net assets for each year according to relevant regulations.

II. Major quarterly Financial Data for 2024

Item (Unit: RMB)	The first quarter (Jan-Mar)	The second quarter (Apr-Jun)	The third quarter (Jul-Sept)	The fourth quarter (Oct-Dec)
Revenue	2,037,983,716.92	1,718,908,584.38	2,102,886,631.30	3,385,912,554.67
Net profit attributable to owners of the Company	470,958,969.66	302,898,199.81	600,157,956.65	-228,966,174.43
Net profit attributable to owners of the Company – excluding non-recurring items	402,349,586.96	270,893,160.14	554,247,439.48	-153,468,560.83
Net cash flows from operating activities	760,626,644.48	1,000,195,439.94	991,086,506.49	965,397,880.23



FINANCIAL AND OPERATIONAL HIGHLIGHTS

III. Non-recurring items and their amounts

Unit: Yuan Currency: RMB

Non-recurring item (Unit: RMB)	2024	Notes (If applicable)	2023	2022
Gains or losses on disposal of non-current assets, including the reversal of previously recognised asset impairment provisions	157,756,606.01	Mainly due to the disposal gains from subsidiary equity	13,990,976.35	928,497,414.27
Government grants included in the current period's profit or loss, except for those closely related to the company's normal business operations, in compliance with national policy regulations, enjoyed according to established standards, and having a continuous impact on the company's profit or loss	5,803,873.49		24,318,693.79	28,720,706.16
Except for effective hedging activities related to the normal business operations of the company, the gains and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as the gains and losses from the disposal of financial assets and financial liabilities	2,641,777.05	Mainly due to the profit or loss from changes in the fair value of equity in associated companies	153,607,037.26	95,175,495.33
Capital occupation fee charged to non-financial enterprises included in current profit or loss			3,818,394.57	17,153,619.00
The current net profit and loss from the beginning of the period to the consolidation date for subsidiaries resulting from business combinations under common control				-4,489,534.28
Other non-operating income and expenditure excluding above items	-36,453,911.85		-97,127,523.44	-5,108,951.16
Less: Income tax effects	55,879,463.02		45,477,192.83	266,405,454.54
Minority shareholder's interest effects(after taxes)	2,841,555.74		-33,966,784.03	5,277,663.07
Total	71,027,325.94		87,097,169.73	788,265,631.71

IV. Item Measured at Fair Value

Unit: Yuan Currency: RMB

Item	Opening Balance	Ending Balance	Change during the Period	Effects on the total amount of Profit of the Reporting Period
Transactional financial assets (Liabilities are expressed with "-")	-148,117,309.14	-197,664,719.66	-49,547,410.52	-58,706,835.52
Transactional financial assets (Liabilities are expressed with "-")	468,792,208.25	129,822,937.64	-338,969,270.61	-14,493,468.61
Other non-current financial assets	895,069,302.26	970,911,383.44	75,842,081.18	75,842,081.18
Total	1,215,744,201.37	903,069,601.42	-312,674,599.95	2,641,777.05

V. Statistics Summary for Last Five Years

Project	Average Daily Toll Revenue (Unit: RMB'000)				
	2024	2023	2022	2021	2020
Meiguan Expressway	431.3	427.4	373.2	448.9	392.6
Jihe East	1,829.7	1,861.0	1,733.0	2,012.4	2,012.0
Jihe West	1,495.5	1,498.1	1,284.0	1,526.7	1,680.4
Shuiguan Expressway	1,728.7	1,741.9	1,565.6	1,808.7	1,658.5
Shuiguan Extension	190.7	214.3	189.2	244.1	252.8
Coastal Project ⁽²⁾	2,011.7	1,724.1	1,317.8	1,619.6	1,498.4
Outer Ring Project	3,196.0	3,270.4	2,615.6	2,523.5	—
Longda Expressway	434.2	426.6	361.0	400.1	—
Qinglian Expressway	1,728.8	1,862.0	1,686.1	2,399.5	2,274.5
GS Expressway ⁽³⁾	7883.0	7,923.8	6,186.4	—	—
GZ West Expressway ⁽³⁾	3466.3	3,572.2	2,862.4	—	—
Yangmao Expressway	2,089.2	2,063.9	1,681.9	1,352.6	1,293.6
GZ W2 Expressway	1,394.6	1,365.6	1,109.6	1,380.4	1,543.5
Changsha Ring Road	716.8	730.4	650.9	816.3	511.5
Nanjing Third Bridge	1,434.6	1,509.7	1,250.1	1,301.3	1,516.9
Yichang Project	1,063.0	1,183.6	1,059.7	1,277.5	1,065.8

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Note:

- (1) The average daily toll revenue in the above table is tax-excluded.
- (2) According to the freight compensation agreement entered into between Shenzhen Transport Bureau, the Company and Coastal Company, it is agreed that during the period from 1 January 2021 to 31 December 2024, the lorries passing the Coastal Expressway should be charged at 50% of the standard rate of the toll, and such toll waived by the Company and Coastal Company shall be compensated by the government in an one-off manner in March of the following year.
- (3) The Group indirectly holding approximately 71.83% equity interests in Bay Area Development, which indirectly enjoys 50% profits of GZ West Expressway and 45% profits of GS Expressway.

Financial Highlights (Unit: RMB million, unless otherwise stated)					
Item	2024	2023	2022 (restated)	2021 (restated)	2020 (restated)
Revenue	9,246	9,295	9,373	10,890	8,027
Of which: Toll revenue	5,053	5,375	4,978	5,893	4,387
Profit before interests and tax	2,781	4,105	3,597	4,419	3,463
Net profit	1,145	2,327	2,016	2,618	1,771
Net cash inflows from operating activities	3,717	4,095	3,369	3,757	1,059
Interest covered multiple (Times)	2.69	3.42	3.16	4.05	3.16
Earnings per share (RMB)	0.441	0.982	0.839	1.115	0.805
Cash dividends per share (RMB)	0.244	0.55	0.462	0.62	0.43

Item	As at 31 Dec 2024	As at 31 Dec 2023	As at 31 Dec 2022 (restated)	As at 31 Dec 2021 (restated)	As at 31 Dec 200 (restated)
Total assets	67,558	67,507	69,205	72,312	67,073
Total liabilities	40,356	39,509	41,841	40,772	36,837
Total equity	27,202	27,999	27,364	31,539	30,236
Debt-to-asset ratio (%)	59.74	58.53	60.46	56.38	54.92
Gross liabilities-to-equity ratio (%)	148.36	141.11	152.90	129.28	121.83
Net borrowings-to-equity ratio (%)	108.03	106.18	110.12	79.12	74.05
Net assets per share (RMB)	8.21	8.42	7.96	9.89	9.22

Note:

- (1) In 2020, the acquisition of controlling interests in the Financial Leasing Company, Logistics Finance Company, and Longda Company was completed. In 2022, the acquisition of 100% equity in Shenzhen Investment Holdings Infrastructure (holding 71.83% equity in Bay Area Development and consolidating its financial statements) was completed. During the year of acquisition completion, the aforementioned enterprises were included in the Group's consolidation scope under the same control, and retrospective adjustments were made to the consolidated financial statements of previous years.

Description of principal financial ratios

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



EVENTS OF THE YEAR

01 Business Management

March

- ◆ E Fund Shenzhen Expressway REIT successfully issued 300 million fund units, raising a total proceed of RMB2.0475 billion.
- ◆ The main construction of the Outer Ring Phase III project has fully commenced.

April

- ◆ The Longli River Bridge in Guizhou Province, an entrusted construction project of the Group, has been completed and opened to traffic, and received the "Guizhou Province High-Quality Project Award for 2024".
- ◆ The steel box girders of Coastal Phase II were rotated successfully, which was the first application of the steel box girder rotation construction technique in Shenzhen.

May

- ◆ Issued the first phase of the 2024 corporate bonds through the two-way claw-back mechanism, including both 3-year (RMB550 million, with an interest rate of 2.25%) and 10-year (RMB950 million, with an interest rate of 2.7%) corporate bonds, where the coupon rates of bonds of both maturities were at all-time lows among ordinary corporate bonds issued by local state-owned enterprises as at the time of issuance.

June

- ◆ The Company signed a relevant agreement for the Jihe Expressway R&E Project with the Shenzhen Transportation Bureau.
- ◆ Tonggang Avenue in Shenzhen-Shantou Special Cooperation Zone ("Shenzhen-Shantou S.C.Z."), an entrusted construction project of the Group, has been fully opened to traffic, and received the "Shenzhen High-Quality Structure Award for 2024". Tonggang Avenue will further improve the road traffic network within Shenzhen – Shantou S.C.Z., and promote the integrated development of Shenzhen and Shantou.
- ◆ The connecting line on the Shenzhen side from Coastal Phase II to Shenzhen-Zhongshan Link was opened together with Shenzhen-Zhongshan Link.

July

- ◆ The main part of the Jihe Expressway R&E Project has fully commenced construction.
- ◆ The "Integrated photovoltaic, storage and charging" Project in Shenshan Qiantai Industrial Park was connected to the grid for power generation successfully.

August

- ◆ Shenshan Qiantai obtained the second domestic certification for the cascade utilisation of new energy vehicle ("NEV") power batteries, and was selected as a "Green Factory in Shenzhen".

November

- ◆ The Shanghai Stock Exchange approved the Company's application to issue A-shares to specific targets.

December

- ◆ Issued RMB1 billion of 2024 public corporate bonds (Phase II) for professional investors with a coupon rate of 2.20%, hitting an all-time low in interest rate among ordinary corporate bonds with the same maturity in the highway industry.
- ◆ The CSRC has approved the Company's application for the registration of the issuance of A-shares to specific targets.
- ◆ The Board agreed to nominate Mr. Xu En Li, Ms. Wu Yan Ling, and Ms. Zhang Jian as directors of the ninth session of the Board of the Company, and Mr. Xu En Li was elected as Chairman of the Board of the Company on 9 January 2025.
- ◆ The toll adjustment of freight transport for the Coastal Project ended at 24:00 on 31 December 2024.

02 Honours

January



Included in the "ESG Pioneer 100 Index for Listed State-owned Enterprises (2023)" list.

Infrastructure and Environmental Protection Company won the "Special Contribution Award" of Shenzhen - Shantou S.C.Z. in 2023.

February

Awarded the title of "Shenzhen Top 100 Brand" in the third session by the Shenzhen Quality City Promotion Association.



Lisai Environmental won the Shenzhen 2023 Annual Advanced Practical Technology Award for Ecological and Environmental Protection.

June

Won the "Tianma Award for Shareholder Return" and the "Tianma Award for Outstanding Secretary of the Board" of the "15th Tianma Award for Investor Relations of Chinese Listed Companies" of Securities Times.



Honoured as an Outstanding Contribution Enterprise in the Construction of a "Zero-Waste City" in Shenzhen for 2024.



July

Won the "A-share Value Award" of the "2024 Yinghua Award for Chinese Listed Companies" by China Fund.



Included in the "Best Practice Cases of Cultural Construction" by the China Association for Public Companies.



Lisai Environmental won the second prize of the China Environmental Protection Federation Science and Technology Award.

August



Included in the "Greater Bay Area State-owned Enterprises ESG Development Index", ranking 16th.

Included in the "China ESG Listed Companies Greater Bay Area Pioneer 50 (2024)", ranking 35th.

Won a second prize in the comprehensive group of the 13th "Longtu Cup" National BIM Competition.

September

Won the Excellent Organisation Award in the 2024 Safety Management Skills Competition for Shenzhen Municipal Enterprises.

November

Included in the "Best Practice Cases for Boards of Listed Companies in 2024" and "Best Practice Cases for Sustainable Development of Listed Companies in 2024" by the China Association for Public Companies.



Included in the "Top 20 in Board Governance" list of the 8th China (Shenzhen) Corporate Governance Summit Forum.



Included in the "11th Top 100 Hong Kong Stocks" list by the Top 100 Hong Kong Listed Companies Research Centre, and ranked 44th in the "Top 50 Medium-sized Enterprises (Overall Strength)" list.



Included in the "Excellent Cases of Digital Transformation of the Transportation Industry" by the China Communications and Transportation Association.

Construction Company won multiple prizes at the 7th "Youlu Cup" National BIM Competition organised by the Ministry of Industry and Information Technology.

December

Included in the "Best Practice Cases of 2023 Annual Report Performance Briefing of Listed Companies" by the China Association for Public Companies.



Included in the China's Second ESG Top 50 List by KPMG.



Financial Leasing Company won the "Excellent Branded Enterprise Award for Industry and Finance Dual Drive in the Financial Leasing Industry" at the 6th Financial Leasing General Manager Summit and Golden Cauldron Awards.



CHAIRMAN'S STATEMENT



XU EN LI
Chairman

A radiant road ahead upon the enduring foundations

In 2024, in face of multiple internal and external challenges, all employees of the Company made concerted efforts under the leadership of the Board, and made significant progress in major construction projects around the core tasks of ensuring production, promoting development and stabilising growth. In addition, the Company improved management efficiency in a coordinated manner, and made every effort to advance priorities, laying a solid foundation for the Company's long-term development.

In 2024, the Group recorded operating revenue of approximately RMB9,246 million, which remained basically unchanged YOY, a net profit attributable to shareholders of the parent company of RMB1,145 million, a YOY decrease of approximately 50.80%, and earnings per share of RMB0.441. Always committed to enhancing its corporate value, the Group balances the long-term and short-term interests of investors, and provides good and consistent returns for our shareholders. The Board has proposed a final cash dividend of RMB0.244 per share for 2024, with a pay-out ratio of approximately 64.35%. The above dividend distribution proposal will be implemented upon the shareholders' approval at the 2024 Annual General Meeting of the Company.



Business Review in 2024

During the Reporting Period, guided by the 14th Five-Year development strategy, and the mission of “building high-quality infrastructure to serve a better urban life”, the Group implemented various work plans formulated at the beginning of the year with the support from our shareholders, the government and all sectors of society by adhering to our positioning as an urban and transportation infrastructure constructor and operator.

Laying a solid foundation for long-term development and steady operation

During the Reporting Period, the Group continued to enhance the core business of toll highways, promote research on and the application of smart transportation, improve our capability to collect, analyse and predict traffic data, and optimise our road network monitoring, command and control system, realising traffic flow adjustment and control, rapid response to accidents, and optimised resource allocation, and improving our road management level and service capabilities comprehensively. During the Reporting Period, the operating profit of the Group’s core businesses dropped to some extent due to factors such as unfavourable weather in the regions where our operating projects are located, traffic volume during toll-free holiday, and increased specific maintenance costs.

CHAIRMAN'S STATEMENT

In terms of major project construction, the Group actively promoted investment in and the construction of reconstruction and expansion projects such as Outer Ring Phase III, Jihe Expressway, and the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway in order to keep enriching the Group's high-quality expressway assets. During the Reporting Period, the construction of the Jihe Expressway reconstruction and expansion project, and Outer Ring Phase III commenced comprehensively, and the Guangzhou-Dongguan section of Beijing-Hong Kong-Macao Expressway also entered the construction stage. The smooth progress of the above major projects has laid a foundation for the sustainable development of the Company. In addition, Bay Area Development, a subsidiary of the Group, actively explored feasible business models for the development and utilisation potential of land along the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway in order to revitalise land resources along the expressway and further improve its overall return level.

In the organic waste treatment segment, the Shenzhen Guangming Environmental Park Project was put into trial operation in May 2024, and as at the date of this report, the Group's design organic waste treatment capacity was approximately 6,700 tons/day. During the Reporting Period, the Group evaluated the progress of various businesses in the general environmental protection segment, optimised the asset and business structures, and withdrew from the equipment manufacturing and engineering construction businesses with poor profitability. During the Reporting Period, the provision for asset impairment increased year on year. The Group continued to consolidate its asset foundation, and concentrated resources on our core businesses to promote the improvement of operational efficiency and long-term development capacity.

Empowering development with capital through diversified financing channels

In terms of funding and financing, the Group expanded diversified financing channels, and seized market opportunities to reduce funding costs. During the Reporting Period, a number of corporate bonds, ultra-short-term financing notes, and medium-term notes were issued at appropriate times, and subscribed for by investors enthusiastically, demonstrating significant interest rate advantages. In addition, by cutting loan rates in active coordination with banks, the Group's average financing costs dropped by 13 percentage points year on year. During the Reporting Period, the Company obtained the approval for registration in respect of issuance of A-shares to specific targets from the CSRC, and completed the issuance on March 2025 at a price of RMB13.17 per share successfully, with approximately 357.08 million shares issued, and a total amount of funds raised of approximately RMB4,702.8 million (including issuance expenses). In addition, E Fund Shenzhen Expressway REIT with 100% toll collection rights of Yichang Expressway and its ancillary facilities being the underlying project was listed on the SSE on 29 March 2024, with a net raised capital of approximately RMB1.23 billion (including issuance expenses). All financing arrangements have further enhanced the capital strength of the Group and maintained financial security.

Optimised governance and improved decision-making efficiency

During the Reporting Period, the Group kept improving the governance structure, deepened the establishment of the compliance management system, revised and improved the corporate governance rules, strengthened the supervisory and decision-making functions of the Board, improved the transparency of corporate governance, and optimised the classified management mode for our subsidiaries, improving overall decision-making quality and efficiency.

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

Future Outlook

Seizing development opportunities through policy empowerment

The Central Economic Work Conference held in December 2024 further defined the policy direction, and proposed to expand domestic demand comprehensively, increase fiscal expenditure, and implement a more proactive fiscal policy and a moderately loose monetary policy to boost consumption and expand domestic demand vigorously. The conference emphasised the need to further promote carbon reduction, pollution control, and green growth, and apply digital and green technologies to transform and upgrade traditional industries actively, and promote the optimisation and upgrading of the industry structure. The series of policies and measures will not only help to enhance interregional economic exchanges and people flows, but also further promote the growth of transportation and environmental protection demand, and inject new driving forces into sustained and healthy economic development.

The national development blueprint specifies goals and tasks such as optimising the infrastructure layout, establishing a modern infrastructure system, promoting green and low-carbon transformation, accelerating digital transformation, and promoting profound changes to the industry structure. The Group will enhance our advantages in the toll highway industry, actively promote research on and the application of smart transportation, and improve the development quality of the general environmental protection business by following the national macro strategic layout, and adhering to the market-oriented and innovation-driven approach.

Strengthening the development foundation through consolidation and improvement

Toll expressways are the primary core business of the Group. In 2025, the Group will make every effort to promote the construction progress of major projects such as the Jihe Expressway reconstruction and expansion project, and Outer Ring Phase III, and pay attention to investment and M&A opportunities for high-quality projects. The Group will also actively promote the digital transformation of toll highways, explore smart transportation, keep reducing operational management costs, and improve traffic efficiency by following the development trend of information technology. The Group will respond actively to challenges such as fluctuations in return on investment, high costs of new construction projects, and extended incubation periods by optimising resource allocation, improving operational efficiency, and expanding the value of the industry chain in order to keep improving the long-term development capacity of the core business of toll highways.

Entering the general environmental protection industry is a strategic choice made by the Group to achieve sustainable development. Through M&As and investments in recent years, the Group has focused on the solid waste recycling and clean energy power generation industries gradually, and established a preliminary presence in the general environmental protection industry. In the future, the Group will further conduct management integration, establish professional teams, make rational investment arrangements, strengthen the quality and efficiency improvement of the existing projects, and expand high-quality projects based on careful research and screening in order to improve the operational quality and profitability of the general environmental protection business.

Leading development directions with strategic foresights

Based on the above analysis of the business environment, industry trend and competitive landscape, the Group has formulated a specific annual work plan. For details, please refer to the report on the Group's development strategy, business plan, capital expenditure plan, risk analysis, and coping strategy in the "Management Discussion and Analysis" section of this annual report.

The Group is preparing the draft of the 15th Five-Year Development Strategy. The Group will summarise the experience and lessons of transformation and development during the 14th Five-Year Strategy period profoundly, and analyse national industry policy directions, technological innovation trends, industry development trends, and our own resource endowment and capabilities deeply to chart the Group's development goals, directions and strategies for the next stage, and promote high-quality and sustainable development in the long run.

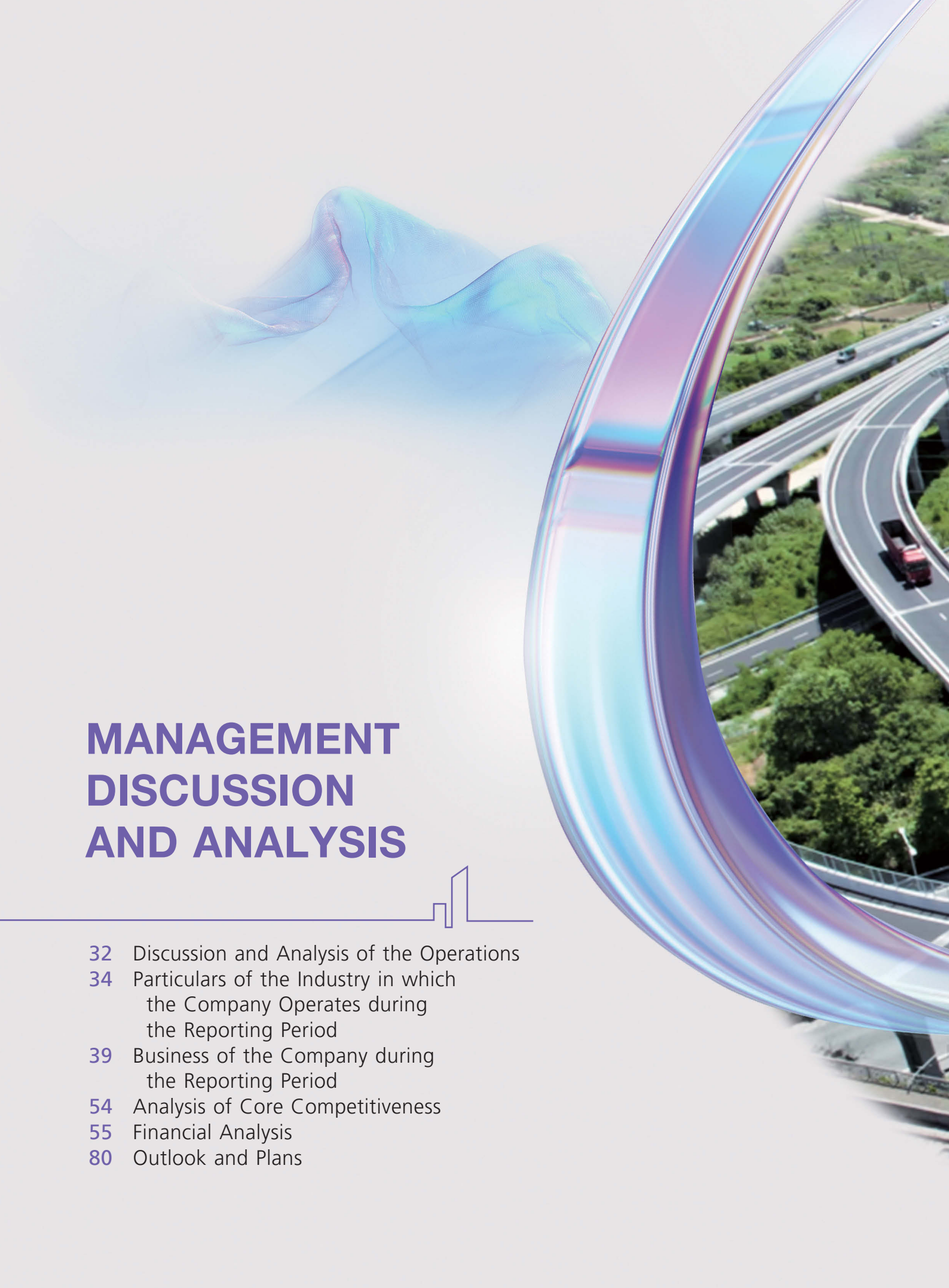
Long-term sustainable development is a common task for all enterprises in the industry. As a pioneer, Shenzhen Expressway will proactively explore new frontiers to create a broader path of future development and stronger development driving forces. The way ahead is full of difficulties, but one can see hope and embrace the rainbow by keeping moving forward only. The rich experience and solid business foundation of the Company acquired through nearly 30 years of entrepreneurship and steady development are our strong backing. In 2025, the Shenzhen Expressway people will pursue steady business development and make active exploration while remaining responsible and confident in high spirits.

Acknowledgements


On behalf of the Company, I would like to take this opportunity to express my sincere gratitude to our shareholders, investors and business partners who have been caring for and supporting the Group's development. I would also like to thank the Board, the Supervisory Committee and the management for their insights and contributions, and all our employees for their commitment and dedication.

Xu En Li
Chairman

Shenzhen, the PRC, 21 March 2025



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LIAO XIANG WEN
President

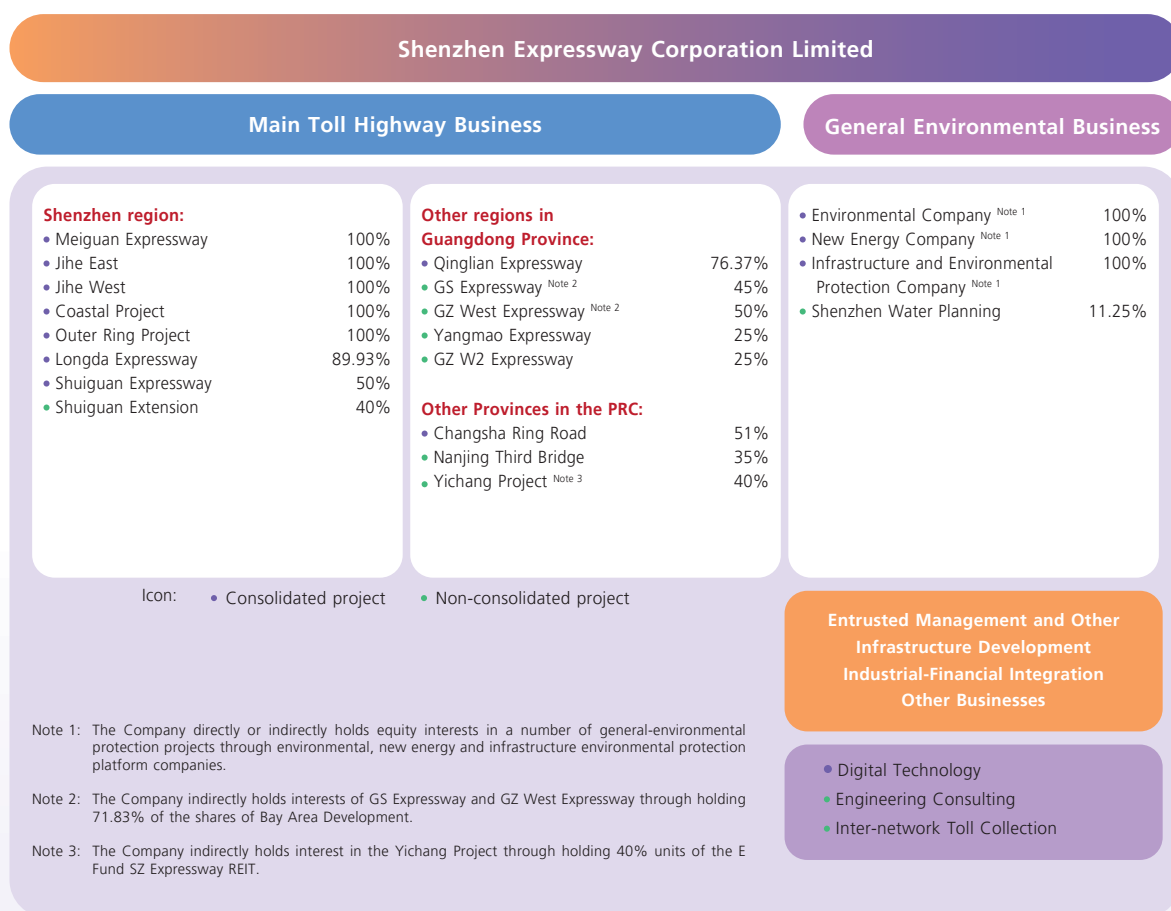
MANAGEMENT DISCUSSION AND ANALYSIS

I. Discussion and Analysis of the Operations

The Group principally engages in the investment, construction, operation and management of toll highways, as well as the general environmental protection business. Currently, the Group's general environmental protection business mainly includes solid waste recycling treatment and clean energy power generation. In recent years, by adhering to a market-oriented, specialised and industrialised approach, the Group has gradually established various business platforms for urban infrastructure, environmental protection, operation, construction and new energy which include the Operation Development Company, a company that principally engages in highway operation and maintenance management services; the New Energy Company, a company that principally engages in the expansion of the new energy power generation business relating to wind power, photovoltaics, etc.; the Environmental Company, a company that principally engages in the environmental protection business such as solid waste recycling treatment; the Infrastructure and Environmental Protection Company, a company located in the Shenshan Special Cooperation Zone that engages in the provision of large-scale infrastructure construction management services for the cooperation zone and the environmental project investment within the cooperation zone; the Construction Company, a company that principally engages in the provision of project construction management services; and the Investment Company, a company that principally engages in the business of infrastructure construction along with comprehensive development of land. Through the aforesaid business platforms, the Group will give full play to its own competitive advantages in infrastructure investment and financing, construction, operation and integrated management, extend its business scope appropriately upstream and downstream of the industry chain, develop service-oriented businesses such as operation and maintenance, engineering management, industry finance, and digital technology, and strive to expand its business development space with focus on the dual core businesses of "toll highways + general environmental protection".

The Company's 14th Five-Year (2021-2025) Development Strategy ("the 14th Five-Year Strategy") defines the Group's development blueprint and action plan during the 14th Five-Year Plan period, which is "the Company will further develop in Shenzhen, and the Guangdong-Hong Kong-Macao Greater Bay Area with nationwide coverage. Featuring "innovation, wisdom, green and efficiency", the Company will provide sustainable development solutions for cities, and strive to become a first-class and important service provider for infrastructure construction and operation in terms of highway transportation and environmental protection, so as to realise scale growth, structural optimisation, capacity enhancement and mechanism improvement." With toll highways and general environmental protection as its core business segments, the Group will build a "Smart Shenzhen Expressway" through digital intelligence empowerment.

Currently, the largest revenue and profit source for the Group is the toll highway business. As of the date of this report, the main businesses of the Group are set out as follows:



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

In 2024, with the continuous release of the effects of national macroeconomic regulation policies, China's overall economic operation achieved stable growth with steady progress. China's gross domestic product (GDP) reached RMB134.91 trillion, exceeding RMB130 trillion for the first time, a YOY increase of 5.0%; the gross value of imports and exports reached RMB43.85 trillion, a YOY increase of 5%. The trend of steady economic development is conducive to the stable growth in overall demand for highway transportation and logistics, and increases the demand for environmental protection businesses such as solid waste recycling treatment and clean energy to some extent. Source of data: government statistics information website

(I) Toll Highway Business

As a fundamental, leading and strategic industry in the national economy, transportation is an important pillar for serving the establishment of a new development pattern. In particular, as an important component of the national comprehensive transportation system, highways play an important role in promoting regional economic development, improving transportation efficiency, and establishing fast and convenient urban and rural passenger and cargo transportation service systems.

In 2024, governments and management departments at all levels of the state issued relevant policies to improve the quality of the expressway network, and realise the intelligent, green and efficient upgrading and transformation of expressways. In April 2024, the Ministry of Finance and the Ministry of Transport jointly issued the Notice on Supporting the Digital Transformation and Upgrading of Highway and Water Transportation Infrastructure, which requires that the deep integration of transportation infrastructure and digital technology be promoted, and proposes that from 2024, a number of demonstration channels and networks for line-network integration should be created in about three years, and that the digital transformation and upgrading of approximately 85% of busy national expressways be realised where possible, thereby further improving the traffic efficiency, safety level, carrying capacity and service quality of transportation infrastructure. In August 2024, the CPC Central Committee and the State Council issued the Opinions on Accelerating the All-round Green Transformation of Economic and Social Development, which proposes to promote the green transformation of transportation, build a green and efficient transportation system, and construct green transportation infrastructure. In particular, for highways, it proposes to improve the eco-friendliness and intelligence level of expressways, promote the energy-saving and carbon reduction transformation and upgrading of existing transportation infrastructure, and develop photovoltaics along expressways according to local conditions. In order to implement the work arrangements of the Ministry of Transport for promoting the digital transformation of highways and accelerating smart highway construction, the Guangdong Provincial Department of Transport issued the Smart Highway Standard System of Guangdong Province (2024 Edition) in August 2024, which aims to establish a standard system suited to the characteristics of Guangdong Province's highway network and the development demand of smart highways systematically, and promote the digital transformation of the whole process of highway construction, management, maintenance, operation and service in Guangdong Province.

In addition, in November 2024, the Ministry of Transport, and the NDRC issued the Notice on the Action Plan for Cost Reduction, and Quality and Efficiency Improvement in Transportation and Logistics, and the General Offices of the CPC Central Committee and the State Council issued the Action Plan for Reducing Social Logistics Costs Effectively, proposing specific actions and goals for reducing transportation and logistics costs, improving quality and efficiency, etc. Building a unified national transportation and logistics market, and deepening the reform of the comprehensive transportation system is an important way to reduce costs and improve efficiency. In particular, for expressways, it proposes to optimise toll highway policies, deepen the implementation of differentiated tolls for expressways, improve the utilisation rate of toll highways, etc.

According to publicly available information from the Ministry of Transport, the total operating freight volume completed in China was approximately 56.5 billion tons in 2024, a YOY increase of 3.5%. From January to November 2024, the highway freight volume completed was approximately 38.1 billion tons, a YOY increase of 3.3%. The transportation industry operated stably in general. After more than 20 years of construction and development, the interwoven expressways have become the most widely used fast transportation network with broad coverage and serving a large population. Compared to other means of transportation such as railway transportation and aviation, it has the characteristics of large capacity, fast travel, low travel costs and high flexibility, especially for short-distance or small-scale passenger and freight transportation. The expressway industry has the characteristics of less overall impacts by macroeconomic fluctuations, relatively rigid transportation demand, and relatively stable cash flows.

As China's transportation system enters a new stage, the expressway industry is also facing new requirements and new industry development trends. In the future, the highway industry should drive intelligent transformation, improve road management level and service capabilities through technologies such as big data and cloud computing, promote facility digitisation, maintenance specialisation, management modernisation, efficient operation, and high service quality to improve operational quality and efficiency, and reduce operating costs continually with focus on high-quality development; it should also strengthen interconnection with other modes of transportation to establish a comprehensive transportation system, and improve overall transportation efficiency and comprehensive transportation service level continually; in the process of expressway construction, reconstruction and expansion, more attention should be paid to ecological protection and resource conservation to realise green and sustainable development.

Currently, the Group has invested in or operated 16 toll highway projects in total, with the controlling interest mileage of approximately 613 kilometres, mainly located in Shenzhen, the Guangdong-Hong Kong-Macao Greater Bay Area and economically developed regions with favourable geographical advantages and excellent asset conditions. The Company is leading in terms of the scale of road assets and profitability among the listed domestic expressway companies. Currently, the Company is actively promoting the investment and construction of major construction, reconstruction and expansion projects such as Outer Ring Phase III, Jihe Expressway, and the Guangzhou-Shenzhen section of Beijing-Hong Kong – Macao Expressway in order to keep enriching the Group's high-quality highway assets. In addition, the Group actively promotes the research and application of intelligent transportation in response to the requirements of high-quality development. In recent years, the successfully developed road network monitoring and command scheduling system platform has been put into operation, providing an information application platform for realising road network operation monitoring and management, business collaboration, joint emergency response, and other businesses; the pavement information integrated control platform for the Outer Ring Project developed independently by the Group has obtained four software copyrights and two national practical innovation patents, and been selected by the China Highway and Transportation Society as an excellent case of digital transformation in the transportation industry; the development of the main functions of the BIM-based expressway construction management platform has been completed, and the management platform for highway reconstruction and expansion projects, and waste treatment plants based on BIM technology has been completed and is being optimised constantly. To promote digitalisation, the Group has also established the Digital Technology Company together with Yunji Intelligent as the Group's digital transformation platform. The Group has expanded upstream and downstream industry chains moderately to deeply empower the development of its core businesses. For details of the industry position of the Group, please refer to "Analysis of Core Competitiveness" below.



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(II) General Environmental Protection Business

During the previous strategic period, having set the goal of entering the general environmental protection industry for strategic transformation, the Group entered the environmental protection and clean energy business sector through cooperation with environmental protection enterprises while consolidating and improving the core business of toll highways. Moreover, it gradually shifted focus to the solid waste recycling treatment and clean energy power generation industries through investment and M&A over the past few years, thereby gaining a preliminary presence in the general environmental protection industry. The solid waste recycling treatment and clean energy industries are supported by national policies, and their heavy assets and stable business characteristics relatively more aligned with the resource advantages, and management and operation models of the Group.

1. *Solid waste recycling treatment industry:*

In 2024, relevant state ministries and commissions continued to issue a series of policies on ecological environment construction, the recycling of renewable resources and solid waste, energy conservation and carbon reduction, and the disposal of domestic waste. In February 2024, the General Office of the State Council issued the Opinions on Accelerating the Construction of a Waste Recycling System, which puts forward a series of requirements and supporting policies for promoting the separation, recovery and recycling of social waste; in August 2024, the State Council issued the Five-Year Action Plan for Deepening the Implementation of the People-centred New Urbanisation Strategy, which calls for accelerating the establishment of a domestic solid waste separation and treatment system at and above the prefecture city level. In the same month, the NDRC, the Ministry of Ecology and Environment, and the Ministry of Housing and Urban-Rural Development issued the Action Plan for Improving the Construction Level of Environmental Infrastructure (2023-2025), which defines key tasks in six aspects, including actions to improve the construction level of domestic waste separation and treatment facilities, and actions to improve the construction level of solid waste treatment, disposal and utilisation facilities, stipulates that by 2025, the national classified collection and transfer capacity of domestic waste should exceed 700,000 tons/day, the national incineration capacity for urban domestic waste should exceed 800,000 tons/day, the capacity and scale of solid waste disposal and comprehensive utilisation should improve significantly, etc., and stresses that we should actively promote the construction of solid waste disposal and comprehensive utilisation facilities, and the separation and recycling of construction waste, accelerate the construction of regional renewable resource recycling systems, etc. During the year, the Ministry of Ecology and Environment also issued documents such as the Guidelines for the Release of Information on the Prevention and Control of Environmental Pollution by Solid Waste, and the Pollution Control Standard for Landfills, providing industry standards for local governments to do well in releasing information on the prevention and control of environmental pollution by solid waste, and promoting the separation and treatment of domestic waste. A series of industry policies implemented by the state guide solid waste treatment to a refined and professional path.

In addition, the state has also issued systematic normative documents on the cooperation mechanism between the government and social capital. The Guiding Opinions on Regulating the Implementation of the New Mechanism for Government and Social Capital Cooperation ("Guiding Opinions") issued by the NDRC, and the Ministry of Finance encourage private enterprises to participate in construction (including reconstruction and expansion) projects based on government and social capital cooperation, and propose that "projects with a high level of marketisation and weak public attributes should be wholly owned or controlled by private enterprises; for projects concerning the national economy and people's livelihoods, and having strong public attributes, the equity share of private enterprises should not be less than 35% in principle". The attached List of Concession Construction (including Reconstruction and Expansion) Projects for Which Private Enterprise Participation is Supported (2023 Edition) further defines that "waste solid waste treatment and waste incineration power generation projects" are within the scope of projects that should be wholly owned or controlled by private enterprises; in April 2024, six ministries and commissions including the NDRC issued the Measures for the Administration of Concession for Infrastructure and Public Utilities (Order No.17 of 2024), which provides institutional design for concession operations in accordance with the Guiding Opinions.

With the growth of the national economy and the deepening of urbanisation, driven by environmental protection policies, China's solid waste treatment industry is taking on a development trend of continuous expansion of market scale, constant upgrading of facilities and treatment technologies, and continual improvement of recycling rate. In recent years, the amount of urban domestic waste treated in China has kept rising. According to data from the National Bureau of Statistics, the annual amount of urban domestic waste collected and transferred in China rose from 163.95 million tons in 2011 to 254.08 million tons in 2023, with a compound annual growth rate of approximately 3.72%. According to the 2023 Bulletin on China Urban Construction Status released by the Ministry of Housing and Urban-Rural Development in October 2024, by the end of 2023, the harmless treatment rate of urban domestic waste in China had risen from 79.7% in 2011 to 99.98%, a YOY increase of 0.08 percentage point; the harmless treatment capacity of domestic waste had reached 1.1444 million tons/day, a YOY increase of 3.15%. Market patterns of domestic waste treatment are diversified, specialised and large-scale. Enterprises have often to compete in multiple aspects such as collection, separation, transfer and treatment. With the constant progress of industry technologies and the improvement of environmental protection requirements, enterprises with higher qualification levels and greater capital strength are more competitive.

In the field of solid waste recycling, Bioland, a subsidiary of the Environmental Company under the Group, is a major enterprise in integrated organic waste treatment in China. As of the date of this report, Bioland had a total of 19 organic waste treatment projects under BOT and other concession models; the Environmental Company also invested in and managed two organic waste treatment projects in Shenzhen, namely Lisai Environmental and Guangming Environmental Park, and one in Shaoyang, Hunan, in which the Shaoyang Project was put into commercial operation in September 2024, and the Shenzhen Guangming Environmental Park Project was put into trial operation in May 2024 and transitioned to commercial operation in February 2025. As at the end of the Reporting Period, the designed organic waste treatment capacity of the Group is approximately 6,700 tons/day, ranking top in the domestic industry. As a newcomer in the solid waste recycling treatment industry, the Group will further integrate management and build a professional talent team, and strive to improve the quality and efficiency of the existing projects, and enhance core competitiveness and profitability.

2. *Clean energy industry:*

In 2024, relevant state ministries and commissions issued policies on the development, consumption support and high-quality development of clean energy. In March 2024, the NDRC issued Order No.15, which proposes to implement the Measures for Regulating the Guaranteed Full Purchase of Renewable Electricity from 1 April 2024, stipulates clearly that the on-grid power supply of renewable energy power generation projects includes power supply subject to guaranteed purchase and market trading, and refines the responsibilities of relevant players in the electricity market, thereby regulating the guaranteed purchase behaviour of renewable energy electricity effectively and providing a supporting mechanism for promoting the large-scale and healthy development of renewable energy. In March 2024, the National Energy Administration issued the Guiding Opinions on Energy Work in 2024, which insist on promoting the green and low-carbon transformation of energy actively and effectively, and clearly propose to "increase the proportion of power generation installed capacity from non-fossil energy sources to approximately 55%, and the proportion of wind and solar power generation to over 17% of the national power generation by 2024". In May 2024, the State Council issued the 2024-2025 Energy Conservation and Carbon Reduction Action Plan, which proposes specific actions and quantitative indicators to increase the development of non-fossil energy sources, enhance the consumption capacity of renewable energy sources, and promote the consumption of non-fossil energy sources. In particular, it explicitly requires that the proportion of non-fossil energy sources consumed should reach approximately 18.9% in 2024 and approximately 20% in 2025. In July 2024, the NDRC, the National Energy Administration, and the National Data Administration jointly issued the Action Plan for Accelerating the Establishment of a New Power System (2024-2027), which clearly requires that a large-scale and high-proportion outward new energy supply action be launched, with focus on breaking through bottlenecks, increasing the proportion of consumption and outward supply of new energy sources, and promoting their rapid development in response to the large-scale development and export of new energy sources. In August 2024, the CPC Central Committee and the State Council issued the Opinions on Accelerating the All-round Green Transformation of Economic and Social Development, which further propose to vigorously develop

MANAGEMENT DISCUSSION AND ANALYSIS

non-fossil energy sources, accelerate the construction of clean energy bases such as wind power and photovoltaics in northwest China, hydropower in southwest China, offshore wind power, and coastal nuclear power, actively develop new energy sources such as distributed photovoltaics and decentralised wind power, and increase the proportion of non-fossil energy sources consumed to approximately 25% by 2030. In October 2024, six ministries and commissions including the NDRC jointly issued the Guiding Opinions of the National Development and Reform Commission, and Other Ministries and Commissions on Vigorously Taking the Renewable Energy Substitution Action, requiring that renewable energy substitution be promoted vigorously, and proposing the targets of renewable energy substitution for the first time: that is, the national renewable energy consumption will be over 1.1 billion tons of standard coal by 2025, and over 1.5 billion tons of standard coal by 2030. In addition, authorities such as the National Energy Administration and the NDRC have also issued relevant policies and documents on wind power development and green electricity trading management. The relevant state policies for the in-depth implementation of green and low-carbon energy transformation will bring sustainable and stable room for development to the clean energy industry.

With the support of industry policies, China's clean energy industry has developed rapidly. In the past decade, China has made significant achievements in promoting the formation of green new energy consumption models and promoting the development of clean energy, and become the world's largest country in energy conservation, and the utilisation of new and renewable energy sources. The Report on China's Policies and Actions for Addressing Climate Change (2024) released by the Ministry of Ecology and Environment in November 2024 shows that in 2023, the proportion of non-fossil energy sources in China's total energy consumption rose to 17.9%, the proportion of coal consumption dropped from 67.4% in 2013 to 55.3%, and the proportion of installed renewable energy capacity was over 50%. According to the data published by the National Energy Administration, China's newly installed grid-connected wind power capacity in 2024 amounted to 79.82 million kW. By the end of 2024, the accumulated installed capacity of wind power in China amounted to 521 million kW, representing a YOY increase of 18% and accounting for 15.5% of the installed capacity of grid power generation. With the rapid development of the industry, the clean energy industry chain has numerous participants and is highly competitive, imposing high requirements for R&D investment, technological innovation and cost control capabilities on enterprises; in particular, wind power development and operation projects are characterised by high investment, long construction periods and long payback periods, while new wind farm development and construction projects have to go through strict approval procedures by government authorities, and have high financial, technological and policy barriers. Therefore, although there are many newcomers in the industry, major energy groups with strong strength and a state-owned background are dominant. With the increase of the industry's concentration, it is more difficult to obtain high-quality projects, and collaborating with major energy enterprises is an important way for newcomers to enter this business sector.

As at the end of the Reporting Period, the Group had wind power projects with a total installation capacity of 668MW through investment and M&A, and held 51% equity interests in Nanjing AVIS, which principally engages in the business of aftersales operation and maintenance services in wind power, through a joint venture with the SPIC Fujian Company; in addition, the Group also holds a financing leasing license. Through early-stage layout planning, the Group has developed integrated business capabilities in the investment, operation, aftersales operation and maintenance, and financing of wind farm and photovoltaic projects. As a newcomer in the industry, the Group will strengthen the management and integration of merged and acquired enterprises, and continue to promote the stable development of the clean energy business.

III. Business of the Company During the Reporting Period

During the Reporting Period, the Group took active measures to promote the production and operation of toll highways, general environmental protection and other related businesses. In 2024, the Group recorded revenue of approximately RMB9.246 billion, representing a YOY decrease of 0.53%. Among them, toll revenue was approximately RMB5.053 billion, revenue from environmental protection businesses such as clean energy and solid waste recycling treatment was approximately RMB1.409 billion, and other revenue was approximately RMB2.783 billion, which accounted for 54.66%, 15.24% and 30.10% of the total revenue of the Group, respectively.

(I) Business Management and Upgrade

◆ *Strengthening the building of the internal management system continually to improve management efficiency*

The Group has released and implemented basic policies on compliance management, such as the Compliance Manual and the Compliance Management Measures, prepared a compliance risk list for 14 key areas in corporate governance, project construction, capital operation, etc., and strengthened compliance management in key areas such as investment, bidding and procurement, project construction, and major contracts. During the Reporting Period, the Group required all responsible units to strictly implement compliance management policies, ran compliance review throughout the production and operation process, and implemented the Group's three lines of defence for compliance management practically with focus on key businesses, key areas and key aspects. During the Reporting Period, the Group carried out an interim self-evaluation on the Three-Year Action Plan for Compliance Management, addressed management loopholes for weaknesses in the compliance management system, and established a long-term mechanism by improving regulations and optimising business processes. By strengthening the compliance management system constantly, the Group empowered and boosted efficiency in the prevention and mitigation of operational risks.

As the business scale of the Group keeps expanding, the Group's property rights hierarchy and management chain keep extending. In order to improve the Group's management efficiency and level, during the Reporting Period, based on the review and evaluation of the effectiveness of the existing authorisation mechanism and classified management system, the Group further improved the classified control system for subsidiaries, formulated and improved management policies such as the Management Procedure for Subsidiaries, and the Guidelines for Major Management Matters of Subsidiaries, and established a sound assessment mechanism with matching rights and responsibilities. The Group prevented major operational risks by granting management autonomy to subsidiaries to stimulate their business vitality, and tracking key business matters. The Group keeps enhancing the alignment between its internal management system and actual businesses, making its internal management more systematic, normative and scientific, and promoting high-quality business development.

◆ *Empowering business operation with technology through innovative technology applications*

In recent years, the Group has followed the development trend of the digital era, and kept promoting the building of a "Smart Shenzhen Expressway", and the application of innovative technologies to conventional expressway construction and operation, and the environmental protection business, so as to reduce costs, and improve efficiency and management.



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During the Reporting Period, the Group formulated an annual implementation plan for digital transformation based on the top-level plan for digital transformation during the 14th Five-Year Plan, the development needs of its business segments and the industry characteristics. It carried out BIM modelling and digital management R&D for the existing expressways, promoted the deep integration of digital technology with production and operation, accelerated the coverage of business digital information applications, and continued to promote the intelligent construction and innovative application of highway construction and operation, and kitchen environmental protection and services through major construction projects. **In terms of highway operation**, the road network monitoring information system platform has been applied to multiple highways in the Shenzhen region, improving the overall intelligence level of operation and management; a drone road inspection system has been applied, improving the capability of road operation control and intelligent maintenance; the comprehensive upgrading of the video monitoring platform for Outer Ring Expressway and the event detection system for directly managed road sections in Shenzhen has been completed, improving the efficiency of road video inspection and the emergency response capability; in addition, a new toll collection software system was developed and tested at key toll stations in 2024 to improve traffic efficiency continually. **In terms of project construction**, the Group continued to promote the application, and system optimisation and upgrading of the BIM construction management platform in the Jihe Project taking the Jihe Expressway R&E project as a carrier, and carried out BIM modelling and digital management R&D in some sections such as Coastal and Outer Ring Expressways. **In terms of intelligent maintenance**, a comprehensive management system based on BIM asset data management has been applied to Outer Ring Expressway. The online operation and closed-loop management of maintenance business have been achieved through a comprehensive analysis of business data to assist in decision-making, improving the digitalisation, specialisation and intelligence level of maintenance management effectively, and enabling the output of technical services. In addition, taking the Guangming Environmental Park Project as a trial, the Group has established a smart operation management platform that integrates functions such as collection and transfer, equipment, safety and sanitation management, and production data visualisation. By collecting data indicators from all aspects, and analysing and mining data, the Group has realised refined production and operation management. In addition, **in terms of comprehensive management**, the Group has established an intelligent and secure office information network, which enables the efficient flow and sharing of office network data between the Group and its subsidiaries, and can meet the quality, security and control requirements for network transmission in the Company's road network system and other application systems; in addition, the Group continued to promote the building and application of information systems in various functional areas such as finance, human resources, auditing and administration in order to improve management efficiency. The Group continued to promote intelligence building in all business segments, and carry out the application and practice of innovative technologies to empower business development and improve efficiency.

(II) Toll Highway Business

1. Business Performance and Analysis

The average daily traffic volume and toll revenue of all toll highways operated and invested by the Group in 2024 are as follows:

Toll highway	Average daily mixed traffic volume (number of vehicles in thousand) ⁽¹⁾	YOY	Average daily toll revenue (RMB'000)	YOY
Guangdong Province – Shenzhen Region:				
Meiguan Expressway	165	0.4%	431	0.9%
Jihe East	309	-2.7%	1,830	-1.7%
Jihe West	223	2.5%	1,495	-0.2%
Coastal Project ⁽²⁾⁽³⁾	205	8.6%	2,012	16.7%
Outer Ring Project	310	1.1%	3,196	-2.3%
Longda Expressway	168	1.5%	434	1.8%
Shuiguan Expressway	263	-2.5%	1,729	-0.8%
Shuiguan Extension	59	-7.8%	191	-11.0%
Guangdong Province – Other Regions:				
Qinglian Expressway	48	-5.8%	1,729	-7.2%
GS Expressway ⁽⁴⁾	632	-0.1%	7,883	-0.5%
GZ West Expressway ⁽⁴⁾	268	-1.0%	3,466	-3.0%
Yangmao Expressway	56	1.1%	2,089	1.2%
GZ W2 Expressway	96	4.8%	1,395	2.1%
Other Provinces in the PRC:				
Changsha Ring Road	96	-0.8%	717	-1.9%
Nanjing Third Bridge	36	-9.5%	1,435	-5.0%
Yichang Project ⁽⁵⁾	55	-9.8%	1,063	-10.2%

Notes:

- (1) Traffic volume which is toll free during holidays is not included in the data of average daily mixed traffic volume. The toll revenue listed in the above table is tax exclusive.
- (2) According to the freight compensation agreement entered into by the Shenzhen Transport Bureau, the Company and Coastal Company, during the period from 1 January 2021 to 31 December 2024, the freight vehicles passing through Coastal Expressway were charged at 50% of the standard toll rate, and such toll waived by Coastal Company should be compensated for by the government in a one-off manner in March of the following year. This agreement was completed at 24:00 on 31 December 2024 without further extension. Since 0:00 on 1 January 2025, freight vehicles transportation on the Coastal Project will be charged at the normal toll rate. For details, please refer to the Company's announcement dated 30 December 2024.

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- (3) 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.
- (4) The Company indirectly holds approximately 71.83% shares in Bay Area Development, which is indirectly entitled to 50% and 45% of profit-sharing interests in GZ West and GS Expressway, respectively.
- (5) From 21 March 2024, the Group's equity interests in the Yichang Project decreased from 100% to 40%.

In mid 2024, the connecting line on the Shenzhen side from Coastal Phase II to Shenzhen-Zhongshan Link was opened together with Shenzhen-Zhongshan Link, contributing to the Group's toll revenue. However, due to unfavourable weather conditions in areas where the Group's highway projects are located during the Reporting Period, an YOY increase in the number of days of toll-free traffic for small passenger cars during holidays, and the fact that Yichang Expressway is no longer included in the Group's consolidated financial statement since 21 March 2024, the Group's toll revenue dropped slightly year on year in 2024. Moreover, the operating performance of the Company's toll highway projects is also subject to positive or negative impacts due to factors such as industry policies, changes in surrounding competitive or coordinated road networks, construction or maintenance of these projects, repair of connected or parallel highways, and implementation of urban traffic organisation plans. During the Reporting Period, the performance of the toll highway projects of the Group in different regions is summarised as follows:

(1) *Guangdong Province – Shenzhen Region:*

The unusually heavy rainy weather in the first half of 2024 in Shenzhen had a negative impact on project construction, freight transportation, and public traffic, affecting the annual operating performance of the Group's toll highway projects in Shenzhen greatly.

The connecting line on the Shenzhen side from Coastal Phase II to Shenzhen-Zhongshan Link was opened together with Shenzhen-Zhongshan Link on 30 June 2024. Shenzhen-Zhongshan Link is the core transportation hub project in the Guangdong-Hong Kong-Macao Greater Bay Area, connecting the three major areas of the Guangdong Free Trade Zone, and has shortened the driving distance between both sides of the Pearl River estuary greatly as the only direct highway connecting the Shenzhen-Dongguan-Huizhou and Zhuhai-Zhongshan-Jiangmen urban agglomerations. The successful opening of the connecting line and Shenzhen-Zhongshan Link has realised direct interconnection between Shenzhen-Zhongshan Link, Coastal Expressway, GS Expressway, Shenzhen Bao'an Airport, and Jihe Expressway, further promoted the deep integration between Shenzhen and both sides of the Pearl River estuary, made it more convenient to travel from Shenzhen to Zhongshan, Zhuhai and other places, and played a positive role in promoting the operating performance of Coastal and Jihe Expressways. However, it has a certain diversion impact on the Outer Ring Project and Longda Expressway. Overall, it has a positive impact on the growth of the Group's toll revenue.

(2) *Guangdong Province – Other Regions:*

During the Reporting Period, the rainfall during the flood season in Guangdong Province was significantly higher than in previous years, which had a negative impact on the operating performance of the Group's toll highway projects in Guangdong Province.

At the beginning of the year, Qingyuan and the adjacent area in Hunan Province experienced multiple rounds of rainy, snowy and freezing weather. During this period, traffic management authorities implemented traffic control on expressways, which had a certain negative impact on the toll revenue of Qinglian Expressway; Guanglian (Guangzhou-Lianzhou) Expressway continued to divert traffic, while Foqingcong (Foshan-Qingyuan-Conghua) Expressway that was fully opened in August 2024 also diverted traffic from Qinglian Expressway; in addition, a road improvement project was implemented on Qinglian Expressway during November-December 2024, with half of the expressway closed for construction, which had a certain impact on traffic volume. With the combined effect of the above factors, the average daily traffic volume and toll revenue of Qinglian Expressway both dropped during the Reporting Period.

GS Expressway serves as an important fast channel between Guangzhou and Shenzhen, and GZ West Expressway is a component of the Pearl River Delta Ring Expressway. During the Reporting Period, the operating performance of both sections was basically the same year on year. After its opening, Shenzhen-Zhongshan Link has shortened the driving distance of GZ Expressway, which has had a certain negative impact on the operating performance of GS Expressway, and a certain diversion impact on GZ West Expressway.

Yangmao Expressway benefited from the interconnection of neighbouring highways that commenced operation, and the promotion of traffic volume by the favourable traffic environment after the completion of construction and expansion, and its operating performance remained stable during the Reporting Period. The opening of Foqingcong Expressway had a certain diversion impact on GZ W2 Expressway. During the Reporting Period, GZ W2 Expressway Company actively responded to changes in the highway network, conducted an in-depth analysis, and opened the "Leping-Longshan" marketing traffic attraction line for GZ W2 Expressway timely. In addition, it implemented a precise marketing strategy, which proved effective to some extent. The average daily traffic volume and toll revenue of GZ W2 Expressway grew year on year to some extent during the Reporting Period.

(3) *Other provinces*

During the Reporting Period, Hunan and Jiangsu Provinces suffered snow, rain and freezing disasters, and sustained rainstorm weather successively. During this period, traffic management authorities implemented traffic control on expressways, which had a negative impact on the operating performance of Yichang Expressway, Changsha Ring Road and Nanjing Third Bridge; the opening of Xiangluzhou Bridge in Changsha in July 2024 had a certain diversion impact on Changsha Ring Road, and the closed construction of the connecting roads had a certain negative impact on the traffic volume of Nanjing Third Bridge. In addition, the issuance of E Fund Shenzhen Expressway REIT was completed on 7 March 2024. The Group signed an agreement regarding the transfer of equity interests in Yichang Project Company, with 21 March 2024 being the closing date, where from 21 March 2024, the Group's equity interests in Yichang Project Company was reduced from 100% to 40%, and Yichang Project Company's financial statements will no longer be consolidated.

2. **Business Development**

Shenzhen Outer Ring Expressway runs from east to west, and is mostly located in the northern part of Shenzhen City, with some sections located in Dongguan City, with a total length of approximately 93 kilometres. Among them, the Shenzhen section of Outer Ring Expressway (the Outer Ring Project) funded and constructed by the Company has a total length of approximately 77 kilometres. The Outer Ring Project is implemented in three phases, in which the Shajing-Guanlan and Longcheng-Pingdi subsections of Outer Ring Phase I totalling approximately 51 kilometres were completed and opened to traffic on 29 December 2020; the Pingdi-Kengzi subsection of Outer Ring Phase II with a total length of approximately 9.35 kilometres was completed and opened to traffic on 1 January 2022. On 14 July 2023, the Board approved a further investment of the Company of approximately RMB8.447 billion in Outer Ring Phase III. During the Reporting Period, Outer Ring Phase III broke ground on a full scale, and as of the end of the Reporting Period, approximately 14.3% progress in physical shape had been completed. The Outer Ring Project is important transportation infrastructure in the Guangdong-Hong Kong-Macao Greater Bay Area. After full-line opening, it will be connected to 10 expressways and 8 Class 1 highways in the Shenzhen region. It is an important backbone line for west-to-east traffic connection in northern Shenzhen. After the completion of Outer Ring Phase III, it will enrich the Company's core highway assets, and achieve the best overall economic and social benefits of the Outer Ring Project, on the other hand, it will also bring traffic to other toll highways of the Group by improving the road network layout. For details of the Outer Ring Project, please refer to the relevant contents in the Company's announcements dated 14 July and 17 November 2023, and 25 January 2024.



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Coastal Phase II mainly includes the interchange of the International Convention and Exhibition Centre and the connecting line on the Shenzhen side of Shenzhen-Zhongshan Link, in which the interchange of the International Convention and Exhibition Centre was completed and put into operation in 2019. The total length of the Shenzhen side of Shenzhen-Zhongshan Link is approximately 5.7 kilometres with two interchanges, namely the airport and Hezhou interchanges. Running from east to west, it starts from the Huanghe toll station of Jihe Expressway (connecting with Jihe Expressway) and ends at the eastern artificial island of Shenzhen-Zhongshan Link (connecting with Shenzhen-Zhongshan Link). The connecting line on the Shenzhen side of Shenzhen-Zhongshan Link spans and connects multiple urban trunk roads, and involves complex pipelines and great construction difficulty. During the Reporting Period, the Group overcame adverse impacts of continuous thunderstorms on construction, and took multiple measures to strengthen construction management. On 30 June 2024, the connecting line was opened together with Shenzhen-Zhongshan Link. After full-line opening, Coastal Phase II will further strengthen the interconnection of the east-west trunk roads in Shenzhen, and improve the overall traffic capacity of Shenzhen's network of "8 horizontal and 13 vertical" highways, which is of great significance for promoting the economic development of the Guangdong-Hong Kong-Macao Greater Bay Area.

During the Reporting Period, with the approval of the Board and the general meeting, the Company planned to invest approximately RMB19.23 billion in the Jihe Expressway R&E project. The Jihe Expressway R&E project adopts a three-dimensional composite channel model, and consists of a ground layer and a three-dimensional layer, both of which are constructed as per the standard for two-way eight-lane expressways. After completion, it will enhance the traffic capacity of the existing traffic lines of Jihe Expressway effectively, meet the integrated transportation demand of the Guangdong-Hong Kong-Macao Greater Bay Area and the Pearl River Delta, expand the scale of the Group's highway assets, and further consolidate the Group's core advantages in the investment, construction and operation of toll highways. As of the end of the Reporting Period, the main part of the Jihe Expressway R&E project had broken ground comprehensively, and approximately 11.4% progress in physical shape had been completed. For details, please refer to the Company's announcements dated 22 May 2024 and 11 June 2024, as well as the Company's circular dated 27 May 2024.

The Company holds 71.83% shares in Bay Area Development, which is indirectly entitled to 45% of profit-sharing interests in GS Expressway. Since the traffic volume of GS Expressway is close to saturation, the Guangdong Provincial Development and Reform Commission approved the reconstruction and expansion projects of the Huocun, Guangzhou to Chang'an, Dongguan section of Beijing-Hong Kong-Macao Expressway and the Huangcun-Huocun section in Guangzhou of Guangfo Expressway ("approved sections") in August 2023. As of the end of the Reporting Period, this project had broken ground comprehensively, and approximately 3.39% progress in physical shape had been completed. In order to meet the funding demand of the reconstruction and expansion project of the approved sections, the shareholders of Guangshenzhu Company, Hopewell Development and Guangdong Construction further entered into a capital increase agreement, where they would jointly increase the capital of Guangshenzhu Company by RMB7.3 billion at the original equity ratio of 45%:55%, and Hopewell Development would subscribe for and pay in registered capital of RMB3.285 billion (or an equivalent foreign currency amount) at an equity ratio of 45%. For details, please refer to the announcements of the Company and Bay Area Development dated 30 October 2023 and 24 January 2025. For the details of operation of Bay Area Development during the Reporting Period, please refer to its Annual report 2024.

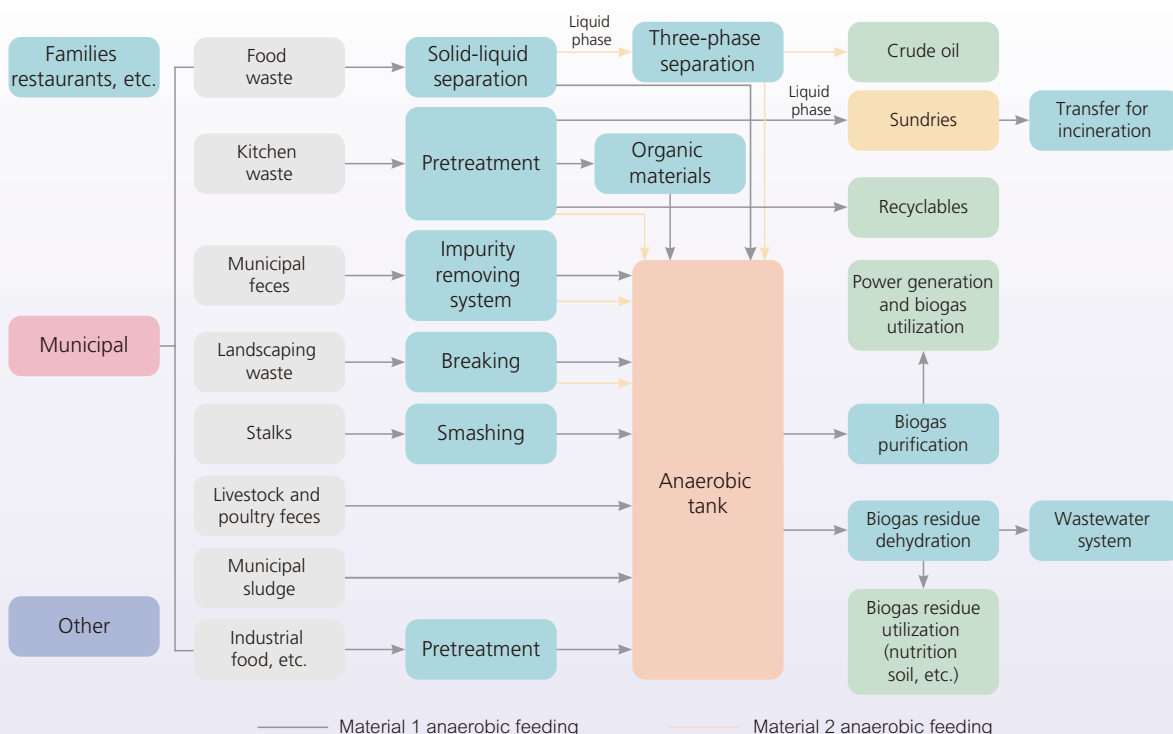
(III) General Environmental Protection Business

While consolidating and enhancing the core business of toll highways, the Group also regards the general environmental protection industry that includes solid waste recycling treatment, clean energy power generation, etc. as the second core business in order to open up broader room for the Group's long-term development. The Group has established Environmental Company and New Energy Company as the main investment management platforms for expanding businesses in relation to the general environmental protection industry.

1. Solid Waste Recycling Treatment

The national environmental protection policy supports the organic waste treatment industry. The Group defines organic waste treatment as a key segment prioritised for development in the general environmental protection industry in its 14th Five-Year Strategy, and strives to become a segment leader with industry-leading technology and scale advantages. As of the date of this report, the Group's designed organic waste treatment capacity is approximately 6,700 tons per day, of which 17 organic waste treatment projects (with a total designed capacity of 5,206.5 tons per day) have commenced commercial operation. These projects mainly operate in BOT and other models, providing harmless treatment of organic solid and domestic waste (including food, kitchen and landscaping waste, etc.) to government customers, and selling recycled products to downstream customers. The schematic diagram of the integrated organic waste treatment process of the Group is as follows:

Schematic diagram of integrated organic waste treatment process



MANAGEMENT DISCUSSION AND ANALYSIS

The Company indirectly holds 92.29% equity interests in Bioland, which mainly relies on technologies such as efficient anaerobic reaction treatment, MBR membrane bioreactors and their derivative technologies to provide customers with systematic and comprehensive solutions for organic waste treatment. In 2024, the Chuzhou Project under Bioland was approved for conversion into a trial operation project from 27 June 2024, and the Beihai Project was approved for official conversion into a commercial operation project from 30 September 2024. As of the date of this report, Bioland has 19 organic waste treatment projects in total, with a total design kitchen waste treatment capacity of over 4,600 tons/day, among which 14 projects (with a total designed capacity of 3,126.5 tons/day) have entered commercial operation, while 5 projects are in the trial operation stage. Since 2023, the Group has adjusted the business structure of Bioland, and defined the business strategy of focusing on operations, and gradually diminishing and closing down EPC engineering and equipment manufacturing operations with heavy losses. During the Reporting Period, the operating revenue of Bioland grew to some extent. However, due to the combined effect of factors such as low oil/grease sales prices, the lower-than-expected oil extraction rate, the low rate of reaching design capacity of some projects due to insufficient waste collection and transfer, high early-stage project costs, and provision for asset impairment, Bioland did not make profits in 2024. During the Reporting Period, the Environmental Company organised various project companies to carry out ISCC certification. As of the end of the Reporting Period, 13 project companies under Bioland had passed ISCC certification, and were able to meet the demand of worldwide customers for low-carbon and circular economy resource products, improving the market competitiveness of Bioland's recycled products. For the next step, Bioland will focus on the quality and efficiency improvement of the existing projects, identify production and operation problems comprehensively, promote technological transformation, increase the output of recycled products, expand collection and transfer coverage, and oil grease sales markets, strengthen cost control and standardized management, and strive to improve profitability.

The Company holds 100% equity interests in Guangming Environmental Park Project, which is located in Guangming District, Shenzhen, and is the project with the largest kitchen waste treatment capacity in Shenzhen. The project can treat 1,000 tons/day of organic waste, 100 tons/day of bulk waste (used furniture) and 100 tons/day of landscaping waste, and can realise the harmless treatment and recycling of food and kitchen waste concurrently. The initial concession period of the project is 10 years, and may be extended for 5 years after passing evaluation and being approved by the district government. The Guangming Environmental Park Project applies the treatment process of "pre-treatment + anaerobic fermentation + biogas power generation", which can solve the problem of secondary pollution to the environment by by-products arising from kitchen waste treatment, and realise the recycling and harmless treatment of organic waste. The Guangming Environmental Park Project entered the trial operation stage in May 2024, during which it began to collect and treat some kitchen waste in Bao'an and Guangming Districts, Shenzhen in May 2024. It obtained the right to collect, transfer and treat kitchen waste in Guangming District, Shenzhen in late August 2024, and began to collect and transfer all kitchen waste in Guangming District in September 2024. Guangming Environmental Park Project has been approved to officially commence commercial operations on 6 February 2025.

The Company indirectly holds 70% equity interests in Lisai Environmental, which has the concession of the Urban Biogenic Waste Treatment Construction BOT Project in Shenzhen ("Biogenic Project") and the concession service area covers Longhua District, Shenzhen. The Biogenic Project is located in Yunan Environmental Park, Longgang District, Shenzhen, and is a key project of the 863 Program during the 11th Five-Year Plan period, with an original design processing capacity of 500 tons/day of biomass waste. The concession period for kitchen waste treatment is "10+5" years, and that for municipal sludge treatment is 25 years. Lisai Environmental officially commenced commercial operation of the project in December 2017. In addition, as entrusted by the competent authority, Lisai Environmental also assisted in the treatment of certain kitchen waste in Futian District. After the Group acquired Lisai Environmental, the Company's production lines have undergone technological transformation. After the transformation, its kitchen waste treatment capacity has increased to 650 tons/day, and its oil/grease treatment capacity has increased by 30 tons/day.

The Company indirectly holds 100% equity interests in Shaoyang Project, which is located in Daxiang District, Shaoyang, Hunan, with a design treatment capacity of 200 tons/day of kitchen waste, and operates in the “TOT” (Transfer-Operate-Transfer) model. The Shaoyang Project started trial operation on 28 February 2023, and was approved for commercial operation from September 2024, with a concession period of 30 years from 1 September 2024.

In 2024, the key operating data of the Group’s organic waste treatment projects put into commercial operation is as follows:

Organic waste			Organic waste disposal volume (thousand tons)	Operating income (RMB'000) ⁽¹⁾
Project	Shareholding ratio of the Group	Revenue consolidation ratio	2024	2024
I. Bioland				
Guiyang Project (including Phase I and the reconstruction and expansion project)	100%	100%	176.38	97,223.70
Nanning Project (including Phase I, Phase II, and Phase III reconstruction and expansion project)	100%	100%	179.18	96,624.59
Dezhou Project	100%	100%	117.50	33,706.37
Taizhou Project	100%	100%	86.25	32,079.22
Zigong Project	84.57%	100%	53.24	41,317.11
Zhuji Project	90%	100%	75.86	24,416.39
Longyou Project	100%	100%	61.39	3,887.94
Handan Project	90%	100%	45.99	17,167.34
Huangshi Project	70%	100%	32.35	12,150.22
Shangrao Project	100%	100%	27.17	13,386.72
Xinyu Project	100%	100%	32.71	16,403.55
Fuzhou Project	100%	100%	31.01	16,022.82
Guilin Project	100%	100%	24.86	19,748.34
Beihai Project ⁽²⁾	90%	100%	14.35	5,404.11
Inner Mongolia Project ⁽³⁾	51%	100%	92.70	45,415.16
Chuzhou Project ⁽³⁾	89.1%	100%	23.38	8,360.38
Subtotal of Bioland projects			1,074.31	483,313.96
II. Lisai Environmental	70%	100%	204.66	135,557.96
III. Shaoyang Project⁽⁴⁾	100%	100%	42.89	37,596.82
IV. Guangming Environmental Park⁽⁵⁾	100%	100%	79.09	43,800.92
Total			1,400.96	700,269.66

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) The operating income in the above table includes estimated subsidy income calculated based on the amount of waste treatment.
- (2) In December 2024, the Beihai Project was approved for conversion into commercial operation from 30 September 2024.
- (3) The Inner Mongolia Project entered the trial operation stage in August 2022, and the Chuzhou Project entered the trial operation stage on 27 June 2024.
- (4) The Shaoyang Project was converted into commercial operation in September 2024.
- (5) The Guangming Environmental Park Project entered the trial operation stage in May 2024 and has been approved to officially transition to commercial operation on 6 February 2025.

The Company indirectly holds 63.33% equity interests in Shenshan Qiantai, which has the qualification for dismantling scrapped motor vehicles, and can provide scrapping, recycling and disposal services for gasoline-powered vehicles, and integrated recycling services for new energy vehicles and retired power batteries. During the Reporting Period, Shenshan Shenshan Qiantai focused on promoting the development and application of standard products for small power and construction machinery batteries, obtained nine new patent licenses, and successfully obtained a conformity certificate for new energy vehicle power battery ladder products; it has attempted to implement a pilot project for two-wheeler battery swapping in Shenzhen, and the operational effect of the pilot project met the expectations. In terms of power battery recovery and sales, this business did not perform as well as expected due to the sustained decline of lithium battery materials and the slowdown of demand growth of the power battery market; in the scrapped vehicle business, costs of scrapped vehicle recovery kept rising in the year, but market prices of scrap metals and power batteries declined, resulting in a decline in vehicle dismantling profits. Due to the above factors, the performance of Shenshan Shenshan Qiantai was lower than expected during the Reporting Period.

2. Clean Energy

As at the end of the Reporting Period, the cumulative installed capacity of the wind power projects funded and operated by the Group, and connected to the power grid amounted to approximately 668MW. During the Reporting Period, due to factors such as the decline in wind resources and the increase in wind curtailment rate, the on-grid power supply and wind power generation revenue of Baotou Nanfeng decreased year on year; despite better YOY overall wind resources, the on-grid power supply and wind power revenue of Mulei, Xinjiang remained basically unchanged year on year due to the YOY increase in wind curtailment rate. Currently, the Group focuses on improving the quality and efficiency of existing projects, and developing high-quality projects through careful research and screening. During the Reporting Period, the Group's first independently developed distributed photovoltaic pilot project, Shengneng Qiantai, successfully entered the trial operation stage of grid connected power generation in July 2024, with a total installed capacity of 3.40MW. The main operating data of clean energy projects of the Group in 2024 are as follows:

Clean Energy Power Generation			On-grid power supply (MWh) ⁽¹⁾ 2024	Wind power generation revenue (RMB'000) ⁽¹⁾ 2024
Project	Proportion of the Group's interest	Revenue consolidation ratio		
Baotou Nanfeng Project	100%	100%	587,587.34	183,209.15
Xinjiang Mulei Project	100%	100%	648,160.33	296,632.95
Yongcheng Zhuneng Project	100%	100%	71,264.55	23,717.57
Zhongwei Gantang Project	100%	100%	108,343.74	27,184.62
Zhangshu Gaochuan Project	100%	100%	51,810.81	18,809.22
Huaian Zhongheng Project	20%	–	194,666.90	90,259.91
Shengneng Qiantai	100%	100%	1,650.53	788.75

Notes:

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

During the Reporting Period, all original shareholders of Nanjing Wind Power fulfilled the obligation to compensate for performance commitments with their shareholdings, and the Environmental Company acquired 100% equity interests in Nanjing Wind Power. Currently, Nanjing Wind Power mainly provides post operation and maintenance services for wind farms invested by the Group, while cooperating with the New Energy Company to carry out market development for wind and photovoltaic power projects. Due to factors such as the cessation of the original wind turbine manufacturing and sales business, provision for asset impairment, and expected liabilities, the operating performance of Nanjing Wind Power was poor. Currently, Nanjing Wind Power mainly focuses on asset revitalisation and capital recovery, while adjusting its business structure to focus on wind farm operation and maintenance services in order to enhance its operating capabilities.



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3. *Water Environmental Remediation and Others*

The Environmental Company, a wholly-owned subsidiary of the Group, holds 20% equity interests in Derun Environment. Derun Environment is a comprehensive environmental investment enterprise, with holding subsidiaries such as Chongqing Water (stock code: 601158) and Sanfeng Environment (stock code: 601827) which are listed on the domestic main board. The major business segments include water supply and sewage treatment, waste incineration power generation, environmental restoration, etc. For the main business and operations of Chongqing Water and Sanfeng Environment, please refer to their 2024 annual reports.

The Group holds 11.25% equity interests in Shenzhen Water Planning. Shenzhen Water Planning was listed and traded on the ChiNext Market of the Shenzhen Stock Exchange in August 2021, with the stock code of 301038. For information of the business development of Shenzhen Water Planning, please refer to its 2024 annual report.

For details of the profits of the general environmental protection projects during the Reporting Period, please refer to the relevant contents in “Financial Analysis” below and notes V48 and V55 to the Financial Statements in this report.

(IV) **Entrusted Management and the Development of Other Infrastructure**

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

1. *Entrusted Construction Business*

During the Reporting Period, the Group's main entrusted construction project was the Shenshan Environmental Park Project in Shenzhen. Tonggang Avenue was completed and opened to traffic on 1 June 2024. The pilot works of public facilities and the waste transfer station in the park were approved for construction, and all preliminary work was in progress actively. The Longli River Bridge (formerly known as Duohua Bridge) Project in Longli County, Guizhou Province, which was constructed by the Group as entrusted, was completed and handed over to the local government on 27 April 2024; the Bimeng Resettlement Residential Area Project has been completed, and some bids were finally accepted during the Reporting Period.

2. *Entrusted Management Business*

The Operation Development Company, a wholly-owned subsidiary of the Group, mainly engages in such operations as highway operation, maintenance and management. The Engineering Development Company under the Operation Development Company mainly engages in businesses related to upstream and downstream industry chains, such as highway and municipal road maintenance and construction. It has the Class I general contracting qualification for highway project construction, and is the implementing entity that provides professional and market-oriented maintenance technologies and services for the Group.

During the Reporting Period, the Operation Development Company won the bid for the 2024 property operation and maintenance management agreement for the Baguang toll station of Yanba Expressway, with a contract amount of RMB17.93 million, and won the bid for the maintenance project for the south section of Qingping Expressway Phase II under the “annual renewal in three years” model, with a contract amount of RMB17.24 million. The Operation Development Company also won the bid for the comprehensive management and operation property service project of the Xiwan-Qianhai Bay slow traffic connection area in Bao'an District, Shenzhen (contract amount: RMB9.1076 million/year), the expansion project of the Xiaotang interchange ramp of GZ W2 Expressway (contract amount:

RMB2.8776 million), the major and medium repair engineering construction project (Package C) for road maintenance in the Shenshan Special Cooperation Zone in 2024 (contract amount: 21.6446 million), and the micro-circulation engineering project from Xiyong to the seaside bathing area under the Nanao Office (contract amount: 6.1332 million), realising the expansion of external maintenance projects, and extending from road maintenance to urban infrastructure operation and maintenance services. The Operation Development Company was rated as excellent by the transportation management authority of Shenzhen City in the 2023-2024 contract year performance evaluation.

In addition, the Engineering Development Company won the bid for two sections of the Longgang District Road Facilities Daily Maintenance Project at the end of 2023 for a period of three years, from 1 January 2024 to 31 December 2026.

By actively expanding upstream and downstream of project management and maintenance and service markets, the Group has not only increased its sources of income, but also developed the ability to provide professional highway management and maintenance services to society, laying a solid foundation for the Group's future market expansion. For details of the profits as well as incomes and expenses of various entrusted management businesses during the Reporting Period, please refer to the contents in "Financial Analysis" below and the relevant contents in note V48 to the Financial Statements in this report.

3. Development and Management of Land Projects

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

(1) Guilong Regional Development Project

The project being developed independently by Guishen Company through two stages is named as "Youshan Villa". As at the end of the Reporting Period, the sell-through rate of the supporting commercial properties in Block B of Youshan Villa Phase II was approximately 85%, and that of Block A of Phase III was approximately 99%; Block C of Phase III was completed, with all supporting commercial properties sold; the villas were being sold, with a sell-through rate of approximately 27%; the supporting commercial properties of Block B of Phase III were under construction. During the Reporting Period, Guishen Company cooperated with a wellness institution under the Group in the Youshan Villa Project to create a summer vacation and wellness project, enhance the added value of the project, and promote the sale of the villas. In addition, the approximately 350 mu of land still held by Guishen Company in the Longli Project is under planning.



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(2) *Meilin Checkpoint Renewal Project*

United Land in which the Company holds 34.3% equity interests principally engages in the investment, development and operation of the Meilin Checkpoint Renewal Project. The Meilin Checkpoint Renewal Project is developed in three phases. The residential units in Phase I Hefengxuan, Phase II Heyaxuan and Phase III Hesongxuan have been sold out. The project also includes a complex building of office and commercial properties, and business apartments with an area of approximately 190,000 square meters, all completed as at the end of the Reporting Period, in which except for those handed over to the resettled property owners, the other office properties were being offered for sale; the commercial properties were mostly held for self-operation, with a small part offered for sale; the sell-through rate of the business apartments was approximately 41%.

(3) *Xintang Project*

Before its acquisition by the Group, Bay Area Development had actively explored the land development business along toll highways. In October 2019, Bay Area Development signed an agreement with its partner shareholder Guangdong Highway Construction Co., Ltd. for the development of land along G5 Expressway, specifying that Bay Area Development accounted for 37.5% of land development rights along the expressway in Guangzhou and 57.5% in Shenzhen, and land development rights along the expressway in Dongguan would be determined by the dominating party.

The Xintang Project is the first land development project in which Bay Area Development participated. After a partner shareholder for development is introduced, Bay Area Development holds 15% equity interests in the project indirectly. The project involves the comprehensive development of approximately 196,000 square metres of traffic land in Xintang Town, Zengcheng District, Guangzhou. Its residential and supporting facility construction is planned to be implemented in three phases. As at the end of the Reporting Period, Xintang Project Phase I had been completed, and was undergoing inspection and delivery; Phase II was under construction. For details of the Xintang Project, please refer to the Company's announcement dated 10 August 2021 and Bay Area Development's 2024 Annual Report.

4. **Development and Management of Other Infrastructure**

The Guangming Wellness Project under the Investment Company comprises the Guangming Xincun Community Integrated Service Centre PPP Pilot Project and the Fenghuang Jiulongtai Community Integrated Service Centre PPP Pilot Project (collectively referred to as the "Two Guangming Community Projects"), as well as the Guangming District Social Welfare Home PPP Project, all with a concession cooperation period of 20.5 years (including a construction period of 0.5 year). The Two Guangming Community Projects are positioned as community embedded elderly care service complexes, and were put into formal operation in July 2022 to offer a range of convenience services, including community canteen, day care, elder activities and public welfare services; the Guangming District Social Welfare Home PPP Project is positioned to provide high-quality elderly care services, and was put into operation in April 2023. During the Reporting Period, all business activities of the Two Guangming Community Projects were carried out in an orderly manner.

(V) **Industrial-Financial Integration**

The Company 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 2024 annual report.

Providing financial leasing services to the main businesses, and upstream and downstream businesses of the Group through the Financial Leasing Company is an important way for the Group to realise "industry and finance integration", and the business collaboration strategy. During the Reporting Period, the Financial Leasing Company signed new contracts for financial leasing projects amounting to RMB0.343 billion. As at the end of the Reporting Period, the total amount of the signed contracts still being performed by the Financial Leasing Company was RMB2.468 billion, in which approximately RMB2.41 billion had been disbursed.

The Company holds 45% equity 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. The fund is managed by Guangdong Shengchuang Investment Management Co., Ltd., and mainly invests in four types of operational projects, namely industrial hazardous waste treatment, solid waste disposal, wastewater treatment, wind power and other new energy sources. The fund has completed investment in two projects. During the Reporting Period, since both projects triggered the withdrawal conditions, after completing relevant decision-making and approval procedures, Shengchuang Fund decided to withdraw from both projects. As at the end of the Reporting Period, the fund manager was implementing the withdrawal plan.

The Company holds approximately 7.48% equity interests in Shenzhen State-owned Assets Collaborative Development Private Fund Partnership (Limited Partnership) (“State-owned Assets Collaborative Development Fund”). The overall size of the fund is RMB4.01 billion, in which the Company’s contribution is RMB0.3 billion. The fund is managed by Shenzhen Kunpeng Zhanyi Equity Investment Management Co., Ltd., and invested mainly in utilities including environmental protection, new energy and infrastructure, as well as financial and strategic emerging industries.

(VI) Other Businesses

As at the end of the Reporting Period, the Company holds 22% equity interests in Yunji Intelligent (formerly known as “Consulting Company”), which has the qualification and capability of providing consulting services to the whole process of investment and construction of the engineering project, and mainly engages in engineering consulting services, and intelligent transportation infrastructure product development and services. Yunji Intelligent is a national high-tech enterprise, and an R&D centre for the BIM technology application industry of the Ministry of Transport. After more than ten years of technological R&D, the company has developed the Xuanjing homemade BIM graphic platform successfully, making a breakthrough in domestic key second-generation BIM core technologies. It has established a smart transportation infrastructure platform based on domestic BIM, providing the Xuantong smart platform, digital engineering products, and innovative service products to participants in the whole industry chain. The smart application platform developed by it is operating on roads and projects in multiple provinces and cities across the country.

The Company holds 51% equity interests in the Digital Technology Company, which mainly engages in digital businesses related to the core businesses of the Group. During the Reporting Period, the Digital Technology Company obtained one invention patent, six software copyrights and six utility model patents through project cooperation with the Group. It is implementing 11 information system construction projects within the Group and two external market projects.

As of the end of the Reporting Period, the Group held 10.2% equity interests in Unitoll Services is principally engaged in the electronic clearing business for toll highways in Guangdong Province, including the investment and management of electronic toll collection and clearing systems, services, and the marketing of relevant products.

During the Reporting Period, the above businesses progressed steadily in general. Due to limitations in scale or investment model, 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 \13, \14, \48, \55 and \56 to the Financial Statements in this report.



MANAGEMENT DISCUSSION AND ANALYSIS

IV. Analysis of Core Competitiveness

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

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

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

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

Good financing platform: Listed in both Shanghai and Hong Kong, the Company has a good financing platform for the capital markets in both places. In the meanwhile, the Company 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 Company's financial strategies as well as capital management and financing arrangements, please refer to "Financial Analysis" below.

V. Financial Analysis

In 2024, the Group recorded a net profit attributable to shareholders of the parent company ("net profit") of RMB1,145,049,000 (2023: RMB2,327,197,000), representing a YOY decrease of 50.80%, mainly due to the significant decrease in real estate income of United Land, an associated enterprise of the Company, in the current year, the provision for asset impairment by the Group, etc.

(I) Analysis of Main Businesses

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

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Revenue	9,245,691	9,295,304	-0.53
Cost of services	6,324,399	5,949,384	6.30
Sales expenses	12,696	19,786	-35.83
General administrative expenses	460,064	483,183	-4.78
Financial expenses	1,038,239	1,240,207	-16.28
Research and development expenses	32,931	33,477	-1.63
Investment income	1,025,126	1,504,853	-31.88
Income tax expenses	540,213	529,803	1.97
Net cash flows from operating activities	3,717,306	4,094,812	-9.22
Net cash flows from investing activities	-36,146	-923,610	-96.09
Net cash flows from financing activities	-2,807,276	-4,409,044	-36.33



MANAGEMENT DISCUSSION AND ANALYSIS

- ① Reasons for change in revenue: mainly due to the decrease in the Group's relevant income tax expenses arising from the derecognition of Yichang Company from the financial statements of the Group since March 2024, and the decrease in the revenue from the Group's environmental protection business.
- ② Reasons for change in cost of services: mainly due to the increase of cost of construction services under concession arrangements with the progress of construction.
- ③ Reasons for change in selling expenses: mainly due to the redundancy of selling staff, and reduced expenditure of the Guilong Development Project on sales planning.
- ④ Reasons for change in general administrative expenses: mainly due to a decrease in related intermediary fees and the reversal of part of the bonuses accrued in previous years.
- ⑤ Reasons for change in financial expenses: mainly due to factors such as reduced funding costs, resulting in a YOY decrease in interest expenses.
- ⑥ Reasons for change in R&D expenses: mainly due to the decrease in R&D investment by some subsidiaries.
- ⑦ Reasons for change in investment income: mainly due to the YOY decrease in investment income in United Land and Derun Environment.
- ⑧ Reasons for change in income tax expenses: mainly due to the reversal of part of the previously recognised deferred income tax assets.
- ⑨ Reasons for change in net cash flows from operating activities: mainly due to the increase in cash flows from relevant operating activities arising from the derecognition of Yichang Company from the financial statements of the Group since March 2024, the YOY decrease in electricity subsidies received for wind farm projects, etc.
- ⑩ Reasons for change in net cash flows from investing activities: mainly due to the increase in investment income from the disposal of the equity interest in Yichang Company this year.
- ⑪ Reasons for change in net cash flows from financing activities: mainly due to a net loan inflow in the current year as compared to a net loan outflow in the same period of last year.

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

2. Analysis of Revenue and Cost

During the Reporting Period, the Group recorded revenue of RMB9,245,691,000 (2023: RMB9,295,304,000), representing a YOY decrease of 0.53%, mainly due to the derecognition of Yichang Company from the financial statements of the Group since 21 March 2024, wind resource fluctuations and increased wind curtailment rates of some wind farm projects, the lower revenue from the Guilong Development Project that delivered fewer houses, the completion of entrusted construction and management projects in the current year with an YOY decrease in revenue, etc. The detailed analysis is as follows:

Unit: '000 Currency: RMB

Revenue item	Amount for the current period	Proportion (%)	Amount for the corresponding period last year	Proportion (%)	YOY change (%)	Description
Revenue from main business – toll roads	5,053,338	54.66	5,374,901	57.82	-5.98	①
Revenue from main business – clean energy power generation	549,085	5.94	652,330	7.02	-15.83	②
Revenue from main business – solid waste recycling treatment – kitchen waste treatment	683,562	7.39	715,684	7.70	-4.49	③
Revenue from main business – solid waste recycling treatment – end-of-life vehicle and battery recycling	167,074	1.81	221,897	2.39	-24.71	④
Cost of main business – other environmental protection businesses	9,317	0.10	28,343	0.30	-67.13	⑤
Cost of other business – entrusted construction and management	444,044	4.80	509,116	5.48	-12.78	⑥
Cost of other business – real estate development	29,262	0.32	89,710	0.97	-67.38	⑦
Revenue from other businesses – revenue from construction services under concession arrangements	1,963,891	21.24	1,346,855	14.49	45.81	⑧
Revenue from other businesses – other businesses	346,118	3.74	356,468	3.83	-2.90	⑨
Total revenue	9,245,691	100.00	9,295,304	100.00	-0.53	



MANAGEMENT DISCUSSION AND ANALYSIS

Description:

- ① The Group recorded a YOY decrease of 5.98% in toll revenue, mainly due to the derecognition of Yichang Company from the financial statements of the Group since March 2024. Excluding the impact of this factor, on a like-for-like basis, the toll revenue of the Group's subsidiary toll roads remained flat YOY.

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

- ② The revenue from clean energy recorded a YOY decrease of 15.83%, mainly due to the YOY decrease in wind power generation revenue arising from wind resource fluctuations and increased wind curtailment rates of some wind farm projects in the current year.
- ③ The revenue from kitchen waste treatment, which includes the revenue from project construction, operation and equipment sales, decreased by 4.49% YOY, mainly due to the business restructuring of Bioland and the adjustment of its construction service revenue based on settlement conditions this year.
- ④ The revenue from end-of-life vehicle and battery recycling decreased by 24.71% YOY, mainly due to the impact of the decline in lithium battery price this year.
- ⑤ The revenue from other environmental protection businesses decreased by 67.13% YOY, mainly due to the decrease in recognised consulting revenue of Lisai Environmental.
- ⑥ The revenue from entrusted construction and management decreased by 12.78% YOY, mainly due to the completion of the Longli River Bridge and Bimeng Projects during the year, resulting in a YOY decrease in recognised revenue under this category.
- ⑦ Real estate development revenue decreased by 67.38% YOY, mainly due to the reduction in the number of unit handover in the Guilong Development Project in the current period.
- ⑧ According to "Interpretation of Accounting Standards for Business Enterprises (No.14)", the Group recognised the construction service revenue under concession arrangements of projects such as kitchen waste treatment, Coastal Expressway Phase II, Jihe Expressway R&E Project, and Guangming Environmental Park Project. Construction service revenue recognised based on progress during the current period increased compared to the same period last year.

(1) Breakdown of Main Business by Industry, Product and Region

Unit: '000 Currency: RMB

Main business by industry						
Industry	Revenue	Cost of services	Gross profit rate (%)	Increase or decrease in revenue over the previous year (%)	Increase or decrease in cost of services over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Toll roads	5,053,338	2,613,870	48.27	-5.98	-1.99	Decrease of 2.11 pp
Solid waste recycling treatment	850,636	902,831	-6.14	-9.27	-6.10	Decrease of 3.59 pp
Breakdown of main business by product						
Product	Revenue	Cost of services	Gross profit rate (%)	Increase or decrease in revenue over the previous year (%)	Increase or decrease in cost of services over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Outer Ring Expressway	1,169,724	413,262	64.67	-2.01	6.87	Decrease of 2.93 pp
Qinglian Expressway	632,731	499,209	21.10	-6.90	-5.79	Decrease of 0.93 pp
Jihe East	669,681	274,938	58.94	-1.41	-2.35	Increase of 0.40 pp
Jihe West	547,342	122,272	77.66	0.10	-4.00	Increase of 0.95 pp
Shuiguan Expressway	632,703	599,156	5.30	-0.49	8.08	Decrease of 7.51 pp
Coastal Expressway	736,287	387,916	47.31	17.00	19.24	Decrease of 0.99 pp
Breakdown of main business by region						
Region	Revenue	Cost of services	Gross profit rate (%)	Increase or decrease in revenue over the previous year (%)	Increase or decrease in cost of services over the previous year (%)	Increase or decrease in gross profit rate over the previous year (%)
Guangdong Province	5,046,893	2,820,848	44.11	-0.13	1.83	Decrease of 1.07 pp

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

Breakdown of main businesses by industry, product and region:

During the Reporting Period, the overall gross profit margin of the Group's subsidiary toll roads was 48.27%, representing a YOY decrease of 2.11 percentage points, mainly due to adverse weather conditions, an increase in the number of toll-free days for small passenger vehicles during holidays, and the implementation of road surface quality improvement on Qinglian Expressway in the fourth quarter, which led to a reduction in toll revenue for most ancillary toll highways. Additionally, the increase in special maintenance expenses for some ancillary toll highways this year contributed to the overall decline in gross profit margin. Both revenue and cost of Coastal Expressway increased significantly in the current year, mainly because of the opening of Coastal Phase II at the end of June 2024, with revenue and depreciation and amortisation increasing accordingly with the traffic volume.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Analysis of cost of services

During the Reporting Period, the cost of services of the Group amounted to RMB6,324,399,000 (2023: RMB5,949,384,000), representing a YOY increase of 6.30%, mainly due to increased construction service costs under concession arrangements arising from project progress.

Unit: '000 Currency: RMB

Industry	Cost item	Breakdown by industry					Description
		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 (%)	
Costs of main business – toll roads	Employee expenses	472,326	7.47	483,413	8.13	-2.29	
	Road maintenance expenses	297,476	4.70	281,904	4.74	5.52	
	Depreciation and amortisation	1,662,245	26.28	1,745,378	29.34	-4.76	
	Other business costs	181,823	2.87	156,294	2.63	16.33	
	Subtotal	2,613,870	41.32	2,666,989	44.83	-1.99	①
Cost of main business – clean energy power generation		305,224	4.83	275,803	4.64	10.67	②
Main business cost – solid waste recycling treatment – kitchen waste treatment		691,808	10.94	709,442	11.92	-2.49	③
Cost of main business – solid waste recycling treatment – end-of-life vehicle and battery recycling		211,023	3.34	252,011	4.24	-16.26	④
Cost of main business – other environmental protection businesses		15,161	0.24	18,193	0.31	-16.67	⑤
Other business costs – entrusted construction and management		405,522	6.41	373,946	6.29	8.44	⑥
Other business costs – real estate development		21,413	0.34	63,826	1.07	-66.45	⑦
Other business – cost of construction services under concession arrangements		1,792,555	28.34	1,346,855	22.64	33.09	⑧
Cost of main business – other businesses		267,823	4.23	242,319	4.07	10.52	⑨
Total cost of services		6,324,399	100.00	5,949,384	100.00	6.30	

Explanation of cost analysis:

- ① Excluding the impact of Yichang Company no longer being included in the Group's consolidated scope at the end of March 2024, the overall cost of other subsidiary toll roads increased by 3.76% YOY on a like-for-like basis. Among these, employee expenses increased by 3.03% YOY, mainly due to the increase in the number of toll collection series employees following the opening of Coastal Phase II. Road maintenance expenses increased by 11.74% YOY, mainly due to an increase in special maintenance expenses for some toll roads. Depreciation and amortisation expenses increased by 3.20% YOY, mainly due to the corresponding increase in depreciation and amortisation following the opening of Coastal Phase II. Other business costs decreased by 1.11% YOY, mainly due to the transition of security personnel at toll stations from outsourced to in-house employees.
- ② Mainly due to the increase in routine and special maintenance expenses of wind turbines of wind farm projects.
- ③ Kitchen waste treatment costs, including project construction, operation and equipment sales costs, recorded a YOY decrease of 2.49%, mainly due to the decrease in construction service costs of Bioland.
- ④ Mainly due to the decrease in the end-of-life vehicle and battery recycling business.
- ⑤ Mainly due to the decrease in relevant business costs of Nanjing Wind Farm.
- ⑥ Mainly due to newly added entrusted management costs of for the entrusted management of Yichang Expressway.
- ⑦ Mainly due to the YOY reduction in the number of unit handover in the Guilong Development Project this year, resulting in a corresponding decrease in the carried-forward real estate development costs.
- ⑧ According to "Interpretation of Accounting Standards for Business Enterprises (No.14)", the Group recognised the construction service cost under concession arrangements of projects such as kitchen waste treatment, Coastal Expressway Phase II, Jihe Expressway R&E Project, and Guangming Environmental Park Project. The construction volume implemented in the current period is higher than those of last year, the cost of construction service recognised based on progress increased YOY.
- ⑨ Mainly due to the increase in business volume of Asphalt Technology Company in the current period.

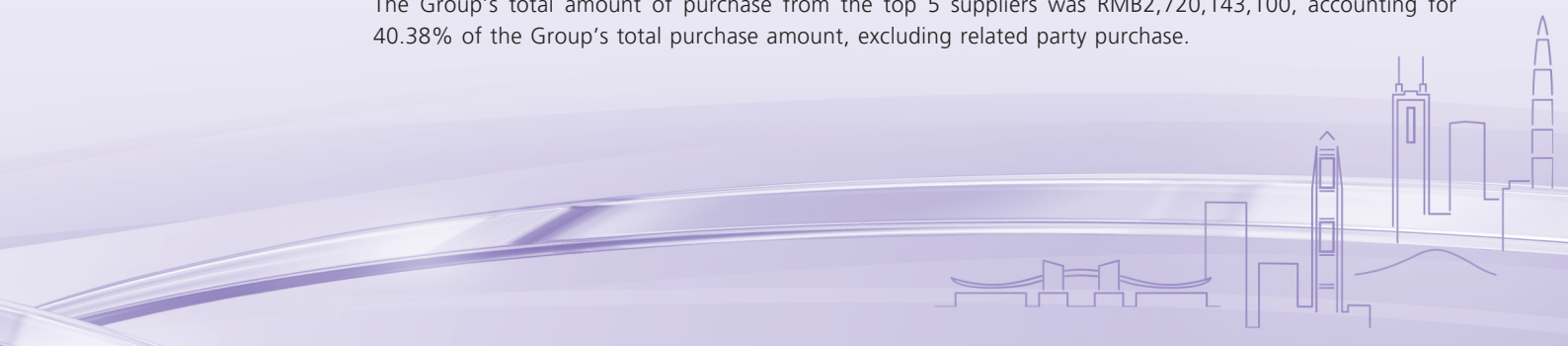
(3) Major sales customers and major suppliers

A. Major sales customers of the Company

In view of the business nature of the Group, sales customers of toll roads are non-specific targets. Except toll revenue, the total revenue of the top 5 customers of the Group was RMB955,204,400, accounting for 10.33% of the Group's total revenue, excluding related party sales.

B. Major suppliers of the Company

The Group's total amount of purchase from the top 5 suppliers was RMB2,720,143,100, accounting for 40.38% of the Group's total purchase amount, excluding related party purchase.



MANAGEMENT DISCUSSION AND ANALYSIS

3. Expenses

The Group's selling expenses for the Reporting Period amounted to RMB12,696,000 (2023: RMB19,786,000), representing a YOY decrease of 35.83%, mainly due to the reduction of personnel and expenses in the environmental protection sector, and the YOY decrease in sales planning expenses of the Guilong Development Project.

The Group's general and administrative expenses for the Reporting Period amounted to RMB460,064,000 (2023: RMB483,183,000), representing a YOY decrease of 4.78%, mainly due to the reduction in fees from relevant intermediary agencies and reversal of part of the bonuses accrued in previous years.

The Group's financial expenses for the Reporting Period amounted to RMB1,038,239,000 (2023: RMB1,240,207,000), representing a YOY decrease of 16.28%, mainly due to the impact of factors such as the decrease in average funding costs, resulting in a YOY decrease in interest expenses. The detailed analysis of financial expenses is as follows:

Unit: '000 Currency: RMB

Financial expenses item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Interest expenses	1,069,760	1,241,927	-13.86
Less: Interest capitalised	9,548	12,346	22.67
Interest income	75,210	70,974	5.97
Add: Exchange loss	46,177	72,777	-36.55
Other	7,059	8,822	19.98
Total financial expenses	1,038,239	1,240,207	-16.28

The Group's R&D expenses for the Reporting Period amounted to RMB32,931,000 (2023: RMB33,477,000), representing a YOY decrease of 1.63%, mainly due to the decrease in the R&D investment of some subsidiaries.

4. Research and development investment

(1) Breakdown of research and development investment

Unit: '000 Currency: RMB

Expensed R&D investment (Current Period)	32,931
Capitalised R&D investment (Current Period)	–
Total R&D investment	32,931
Total R&D investment/revenue (%)	0.36%
R&D capitalisation ratio (%)	–

(2) Description

The research and development investment mainly represented the expenses incurred for Lisai Environmental's development of a domestic waste treatment system and Shenshan Qiantai's research and development of green recycling technology for used batteries etc.

5. Explanation of the changes in income tax expense:

During the Reporting Period, the Group's income tax expenses amounted to RMB540,213,000 (2023: RMB529,803,000), representing a YOY increase of 1.97%, mainly due to the reversal of part of the previously recognised deferred income tax assets, resulting in a corresponding increase in the Group's income tax expense.

6. Investment income

During the Reporting Period, the Group's investment income amounted to RMB1,025,126,000 (2023: RMB1,504,853,000), representing a YOY decrease of 31.88%, mainly due to the combined impacts of factors such as the reduction in commercial housing development revenue of United Land, the decrease in net profit of Derun Environment caused by the discontinuation of government subsidies for tax-related expenses associated with sewage treatment service revenue, and the recognition of investment income from the Group's completion of the disposal of Yichang Company's equity. The detailed analysis is as follows:

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change in amount
1. Investment income attributable to associate/joint ventures:			
Associated/joint toll road enterprises in total	530,172	494,660	35,512
United Land	84,682	624,674	-539,992
Derun Environment	136,825	178,758	-41,932
Others ^{Note}	99,458	179,676	-80,219
Subtotal	851,137	1,477,768	-626,631
2. Investment income from disposal of equity interests in subsidiaries/associates	149,336	1,281	148,055
3. Investment income from other non-current financial assets	19,344	10,964	8,380
4. Investment income received from investment in wealth management products	5,309	14,632	-9,323
5. Others		209	-209
Total	1,025,126	1,504,853	-479,727

Note: Others are attributable to the investment income in Yunji Intelligent, Bank of Guizhou, Shengchuang Fund, Guizhou Hengtongli, Huaian Zhongheng, Fengrunjiu, Fenghe Energy, etc.



MANAGEMENT DISCUSSION AND ANALYSIS

7. Cash Flow

Explanation of changes in net cash flow from operating activities: During the Reporting Period, the Group's net cash inflow from operating activities amounted to RMB3,717,306,000 (2023: RMB4,094,812,000), representing a YOY decrease of RMB377,506,000, mainly due to adverse weather, three additional days of toll-free periods for passenger vehicles on expressways compared to the previous year, the deconsolidation of Yichang Company's operating cash flows following the disposal of its equity in March 2024, and the YOY decrease in electricity subsidies for wind farm projects this year. In addition, the recurring cash return^{Note} on investments from associates/joint toll road companies invested by the Company during the Reporting Period amounted to RMB441,133,000 (2023: RMB532,248,000), representing a YOY decrease of RMB91,115,000, mainly due to the impact of the reconstruction and expansion of the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway, the dividends received during the Reporting Period decreased compared to the same period of the previous year.

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

Explanation of changes in net cash flow from investing activities: During the Reporting Period, the Group's net cash outflow from investing activities decreased by approximately RMB887 million YOY, mainly due to the receipt of disposal proceeds from the equity interests in Yichang Company during the current period.

Explanation of changes in net cash flow from financing activities: During the Reporting Period, the Group's net cash outflow from financing activities decreased by approximately RMB1,602 million YOY, mainly due to net cash inflow from borrowing this year, compared to net cash outflow from borrowing in the corresponding period of last year.

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

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

Generally, during the early operational stage of toll roads, the amortisation amount calculated using the traffic volume method is lower than that determined by the straight-line method. During the Reporting Period, the amortisation difference between these two methods calculated based on the Company's equity ratio was -RMB212 million (2023: -RMB186 million). The adoption of different amortisation methods does not affect the cash flows of toll road projects, and consequently has no impact on the valuation levels of individual project.

(II) Description of Major Profit Changes Arising from Non-main Businesses**1. Decrease in real estate development income of United Land in the current period**

United Land is an associate in which the Group holds 34.3% equity interest. At the end of 2023, United Land delivered the Phase III commercial housing of the Meilin Checkpoint Renewal Project, and recognised real estate development income, and the Group recognised investment income of RMB625 million accordingly, having a significant positive impact on the Group's performance in 2023. The office building of the Meilin Checkpoint Renewal Project was accepted in the current year, and United Land recognised the related real estate development income based on the delivery of a small portion of office properties, resulting in a YOY decrease of approximately RMB540 million in the Group's share of investment income from United Land compared to the previous year.

2. Increase in gains from the disposal of equity interest in Yichang Company during this period

For details on the disposal of equity interest in Yichang Company, please refer to relevant contents in (V) "Disposal of Material Assets and Equity Interests" below.

(III) Analysis of Assets and Liabilities**1. Assets and Liabilities**

As at 31 December 2024, the Group's total assets amounted to RMB67,558,031,000 (31 December 2023: RMB67,507,469,000), representing an increase of 0.07% compared to the end of 2023. As at 31 December 2024, the Group's total outstanding interest-bearing liabilities amounted to RMB32,057,208,000 (31 December 2023: RMB31,684,662,000), representing a YOY increase of approximately 1.18%, remaining flat. In 2024, the Group's average borrowing scale was RMB31,976,532,000 (2023: RMB32,847,158,000), representing a YOY decrease of 2.65%.



MANAGEMENT DISCUSSION AND ANALYSIS

The detailed analysis of assets and liabilities is as follows:

Unit: '000 Currency: RMB

Name of item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of total assets (%)	Amount as at the end of last year	Amount as at the end of last year as a percentage of total assets (%)	Change in amount as at the end of the current period as compared to the end of last year (%)	Description
Cash and cash equivalents	2,908,582	4.31	2,152,368	3.19	35.13	(1)
Trading financial assets	129,823	0.19	468,792	0.69	-72.31	(2)
Other receivables	834,686	1.24	602,215	0.89	38.60	(3)
Non-current assets due within one year	435,993	0.65	264,775	0.39	64.67	(4)
Other Current Assets	664,412	0.98	497,079	0.74	33.66	(5)
Long-term prepayments	1,312,579	1.94	356,733	0.53	267.94	(6)
Long-term receivables	3,200,026	4.74	2,334,936	3.46	37.05	(4)
Construction in progress	84,895	0.13	289,690	0.43	-70.69	(7)
Right-of-use assets	32,060	0.05	66,201	0.10	-51.57	(8)
Long-term deferred expenses	16,592	0.02	39,045	0.06	-57.51	(9)
Deferred tax assets	130,377	0.19	271,445	0.40	-51.97	(10)
Other non-current assets	1,936,717	2.87	3,216,612	4.76	-39.79	(4)
Short-term borrowings	2,573,849	3.81	11,105,626	16.45	-76.82	(11)
Trading financial liabilities	197,665	0.29	148,117	0.22	33.45	(12)
Notes payable	870,678	1.29	89,736	0.13	870.27	(13)
Other current liabilities	3,053,377	4.52	1,534,479	2.27	98.98	(14)
Long-term borrowings	13,912,273	20.59	9,567,708	14.17	45.41	(11)
Bonds payable	10,194,223	15.09	7,159,103	10.60	42.40	(11)
Lease liabilities	15,896	0.02	45,614	0.07	-65.15	(15)
Long-term payables	387,587	0.57	907,278	1.34	-57.28	(16)

Explanation of assets and liabilities:

- (1) Increase in interest-bearing liabilities at the end of the period.
- (2) Redemption of structured deposits at maturity.
- (3) Increase in dividends receivable from associates and progress advances for the Outer Ring Project.
- (4) The Longli River Bridge Project constructed by Guishen Company as entrusted was completed, accepted and opened to traffic in the current period; according to the investment cooperation agreement, the relevant receivables of this project are transferred from "Other non-current assets" to "Non-current assets due within one year" and "Long-term receivables" in the current period.
- (5) Increase in the balance of large denomination certificates of deposit at the end of the period.
- (6) Increase in prepayments for the Jihe Expressway R&E Project and Outer Ring Projects.
- (7) The construction of the factory building was completed and converted into fixed assets.
- (8) The balance of "Right-of-use assets" is carried forward due to the termination of the house lease contract by One Apartment.
- (9) The balance of "Long-term deferred expenses" is carried forward due to the termination of the house lease contract by One Apartment.
- (10) Reversal of part of the previously recognised deferred income tax assets.
- (11) Raising medium- and long-term RMB funds to replace short-term foreign currency debt offshore.
- (12) Increase in the amount of differential compensation payable.
- (13) Issuance of notes to pay for construction funds of the Jihe Expressway R&E Project and Outer Ring Projects.
- (14) Increase in issued ultra-short-term financing bonds.
- (15) The balance of "Lease liabilities" is carried forward due to the termination of the house lease contract by One Apartment.
- (16) Return of redundant funds to United Land.



MANAGEMENT DISCUSSION AND ANALYSIS

2. Overseas Assets

(1) Size of assets

The Group's overseas assets were RMB484,537,000, accounting for 0.72% of the total assets. Overseas assets mainly consist of part of the H shares of Bank of Guizhou held by Mei Wah Company, a wholly-owned overseas subsidiary of the Company, and the overseas bank deposits of Mei Wah Company and its subsidiaries, which account for a small proportion of the Company's total assets.

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

Details of restriction of assets:

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

Restriction on the assets involved with the balance of secured loans as at the end of the Reporting Period					
Assets	Category	Beneficiary of security	Scope of security	Balance of secured loans as at the end of the Reporting Period (RMB100 million)	Term
Toll collection rights of Qinglian Expressway	Pledge	Industrial and Commercial Bank of China Limited Qingyuan Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB2.839 billion	21.68	Until repayment of all liabilities under the loan agreement
Toll collection rights of Coastal Expressway	Pledge	China Development Bank Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB1 billion	0.3	Until repayment of all liabilities under the loan agreement
Toll collection rights of Shuiguan Expressway	Pledge	Guangdong Huaxing Bank Co., Ltd. Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB0.6 billion	1.65	Until repayment of all liabilities under the loan agreement
Equity interests, franchise rights, accounts receivable and production equipment, among other assets, of various subsidiaries of Bioland	Pledges and mortgages	Various banks	The scope of security covers principal and interests of bank loans for various projects in an aggregate amount of RMB1.08 billion	8.2	Certain periods after the repayment of liabilities
100% equity interests in Qianzhi, Qianhui and Qianxin Companies	Pledge	ICBC Shenzhen Futian Sub-branch	Principal and interests of loans for acquisition in an aggregate amount of not more than RMB0.609 billion	2.00	Until repayment of all liabilities under the loan agreement
Accounts receivable accruing under franchise rights of Guangming Environmentl, Lisai Environmental and Shaoyang Company	Pledge	Bank of China Limited Shenzhen Central District and Shaoyang Branches	Principal and interests of fixed asset loans in an aggregate amount of RMB1.051 billion	5.72	Until repayment of all liabilities under the loan agreement

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
Rentals receivable under 9 projects (Shanxi Nuohui, etc.) of Financial Leasing Company	Pledge	Bank of China Limited Shenzhen Central District, CMB Wing Lung Bank	Principal and interests of working capital loans in an aggregate amount of RMB0.239 billion	2.13	Until repayment of all liabilities under the loan agreement
Tariff collection rights of the Yongcheng Zhuneng Project	Pledge	Agricultural Bank of China Shenzhen Branch	Principal and interests of fixed asset loans in an aggregate amount of RMB0.185 billion	1.50	Until repayment of all liabilities under the loan agreement
Pledge on tariff collection rights of the Mulei Project	Pledge	China Construction Bank Urumqi Sub-branch	Principal and interests of project loan in an amount of RMB1.843 billion	12.89	Until repayment of all liabilities under the loan agreement
Pledge on tariff collection rights of the Baotou Lingxiang, Ningyuan, Ningxiang, Ningfeng, and Nanchuan Projects	Pledge	Agricultural Bank of China Shenzhen Branch, China Merchants Bank Baotou Branch	Principal and interests of project loan in an amount of RMB1.181 billion	8.94	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	RMB65 million
Security deposit	RMB41 million
Fund frozen due to litigations	RMB132 million
Total	RMB238 million

Details of restriction of assets:

- (1) Details of the restrictions on the Group's major assets at the end of the Reporting Period are set out in note V23 to the Financial Statements in this report.



MANAGEMENT DISCUSSION AND ANALYSIS

4. Capital Structure and Debt Repayment Capability

The Company is always committed to maintaining a rational capital structure and enhancing its profitability to maintain its good credit ratings and solid financial position. As at the end of the Reporting Period, the Group's debt-to-asset ratio, and net borrowings-to-equity ratio remained almost the same as at the end of the previous year. Given the Group's stable and robust operating cash flows, and strong capabilities in financing and capital management, the Board is of the view that the financial leverage ratios remained 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)	59.74%	58.53%
Net borrowings-to-equity ratio ((total borrowings – cash and cash equivalents)/total equity)	108.03%	106.18%

	Amount for the current period	Amount for the corresponding period of last year
Net borrowing/EBITDA ((total borrowings – cash and cash equivalents)/earnings before interests, tax, depreciation and amortisation)	5.84	4.65
Interest covered multiple ((Profit before tax + interest expenses)/Interest expenses)	2.69	3.42
EBITDA interest multiple (Earnings before interests, tax, depreciation and amortisation/Interest expenses)	4.87	5.32

5. Liquidity and Cash Management

During the Reporting Period, the Group's net current assets increased as compared to the end of the previous year due to the repayment of the short-term bridging loans increased due to the acquisition of SIICHIC in the previous year by the Group using its own funds and medium- to long-term loans. The Group will further enhance project profitability, strengthen the overall fund arrangements for subsidiaries and key projects, continue to optimise the capital structure, and maintain appropriate cash on hand and sufficient bank credit and debt financing lines to prevent liquidity risks.

Unit: Million Currency: RMB

	Amount as at the end of the current period	Amount as at the end of last year	Change in amount
Net current assets	-6,531	-12,875	6,343
Cash and cash equivalents	2,670	1,955	715
Banking facilities available	65,822	43,740	22,082
Unused bond registration amount	8,000	9,550	-1,550

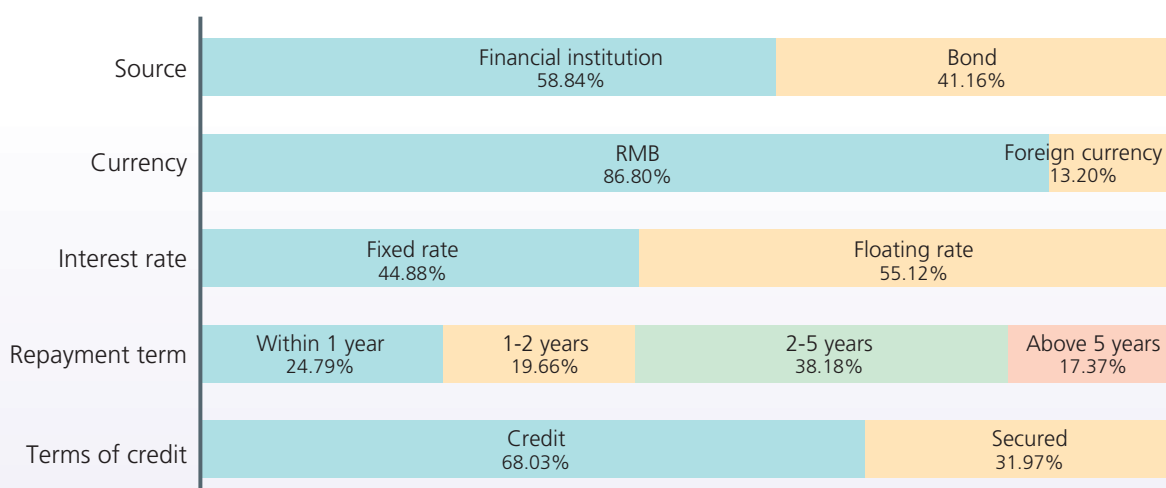
6. Financial Strategies and Financing Arrangements

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

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

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

Borrowing Structure (as at 31 Dec 2024)



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

As of 31 December 2024, the Group had obtained banking facilities totalling approximately RMB85.811 billion. As at the end of the Reporting Period, unused banking facilities amounted to approximately RMB65.822 billion, and the Group's bond limit was RMB16 billion, in which RMB8 billion was unused as at the end of the Reporting Period.

Utilisation of Funds Raised

During the Reporting Period, the Company issued public corporate bonds for 2024 (Phase 1) amounting to RMB1.5 billion, and public corporate bonds for 2024 (Phase 2) amounting to RMB1 billion, where the fund raised would be mainly used to replace and repurchase principals of mature bonds with interests, repay mature interest-bearing debt, and replenish working capital.

Contingencies

Details of the Group's contingencies during the Reporting Period are set out in note XIII2 of the Financial Statements in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

7. Foreign Exchange Risks

Currently, the Group's main business operations are within the territory of China; except the payment of H share dividends, the Group's operating revenue and main capital expenditures are settled in RMB. As at the end of the Reporting Period, the Group only held USD300 million bonds and HKD2.22 billion in foreign currency loans. The Group has not made any foreign currency hedging arrangements for the aforementioned foreign currency loans that are inconsistent with its functional currency. The impact of exchange rate fluctuations on the Group is minimal. For details, please refer to note IX\1.1.1 to the Financial Statements in this report.

(IV) Analysis of the Investment

1. Material Equity Investments

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

2. Material Non-equity Investments

During the Reporting Period, the Group's expenditures on material non-equity investments mainly comprised the expenditures for Jihe Expressway R&E Project, Outer Ring Expressway, multiple kitchen waste projects of Bioland, Coastal Phase II, totalling approximately RMB2.027 billion. The Company meets the relevant investment expenditures with a combination of self-owned funds and debt financing. The investments in major projects are as follows:

Unit: '000 Currency: RMB

Name of item	Project progress	Amount invested during the Reporting Period	Accumulated amount invested	Project gain
Outer Ring Project (Phases I, II and III)	69.0%	739,842	7,088,570	For the operation of Outer Ring Project (Phases I and II), please refer to the analysis of main business for the Outer Ring Project above. Coastal Phase II was opened to traffic on 30 June 2024, and the Guangming Environmental Park is at the trial operation stage. The other construction projects are still under construction.
Coastal Phase II	99.9%	280,443	985,603	
Jihe Expressway R&E Project	11.4%	445,312	2,024,766	
Multiple kitchen waste projects of Bioland	/	340,100	1,638,013	
Guangming Environmental Park Project	99.9%	60,561	677,504	
Total	/	1,866,258	12,414,456	/

Note: Project progress refers to progress in physical shape.

3 Financial Assets/Liabilities Measured at Fair Value

Unit: '000 Currency: RMB

Asset category	Beginning balance	Gains and losses from changes in fair value in the current period	Changes in cumulative fair value included in equity	Provision for impairment in the current period	Purchase amount in the current period	Sales/redemption amount in the current period	Other changes	Ending balance	Remarks
Other	895,069	75,842	-	-	-	-	-	970,911	(1)
Other	320,372	-	-	-	0	-320,372	-	0	(2)
Other	148,420	-14,493	-	-	-	-	-4,103	129,823	(3)
Total	1,363,861	61,349	0	0	0	-320,372	-4,103	1,100,734	

Explanation on financial assets/liabilities at fair value:

- (1) Mainly due to the holding of equity interests such as Shenzhen Water Planning, Unitoll Services, and State-owned Assets Collaborative Development Fund;
- (2) Mainly being structured deposits.
- (3) Mainly being the VAM compensation 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.

(V) Disposal of Material Assets and Equity Interests

On 7 March 2024, the public offering of the REITs with the underlying infrastructure comprising the Yichang Expressway and its ancillary facilities – where the Company's wholly-owned subsidiary Yichang Company holds 100% toll road rights and interests – was successfully completed. On 13 March 2024, the Company entered into an equity transfer agreement and a debt transfer agreement with Yichang Enterprise Operation Management Company in Changde and Yichang Company, where the Company transferred 100% of the equity interests in Yichang Company at a consideration of RMB1,397,449,000 and transferred the creditor's rights receivable from Yichang Company at a fair consideration of approximately RMB648,471,000. On 21 March 2024, the equity transfer procedure of Yichang Company was completed, and the Company confirmed the equity transfer income of RMB149,336,000 (pre-tax) accordingly.



MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Analysis of Major Controlling Companies and Participating Companies

1. Analysis of Major Controlling and Participating Companies

Unit: '000 Currency: RMB

Company name	Percentage of interests held by the Group	Registered capital	31 December 2024		2024		Main business
			Total assets	Net assets	Revenue	Net profits	
Outer Ring Company	100%	6,500,000	9,655,794	6,817,364	2,041,813	727,876	Investment in the construction and operation of the Shenzhen section of Outer Ring Expressway.
Qinglian Company	76.37%	3,361,000	5,532,958	2,944,131	638,110	51,958	Construction, operation and management of Qinglian Expressway and related auxiliary facilities.
Qinglong Company	50%	324,000	1,048,620	596,252	637,005	25,678	Development, construction, toll collection and management of Shuiguan Expressway.
Shenchang Company	51%	200,000	485,967	314,238	271,286	132,525	Development, construction, toll collection and management of the northwest section of Changsha Ring Road.
Investment Company	100%	1,000,000	3,076,258	1,604,350	100,036	-91,581	Investment in industry and engineering construction.
Environmental Company	100%	6,550,000	10,645,558	5,900,741	705,440	-633,128	Investment and operation of the kitchen waste project.
New Energy Company	100%	2,619,441	5,791,409	3,078,122	531,368	102,564	Investment and operation of wind power projects.
SIICHIC	100%	USD641,076	16,925,974	3,987,974	884,318	-18,588	SIICHIC directly holds 71.83% equity interests in Bay Area Development, and Bay Area Development mainly holds equity interests in GZ West Expressway, GS Expressway and Xintang JV.

Company name	Percentage of interests held by the Group	Registered capital	31 December 2024		2024		Main business
			Total assets	Net assets	Revenue	Net profits	
Derun Environment	20%	1,000,000	64,219,053	18,266,646	13,220,828	684,127	Derun Environment is a comprehensive environmental enterprise with two subsidiaries listed on the main board of A shares including Chongqing Water (50.04% equity interests) and Sanfeng Environment (43.86% equity interests). The main businesses of these companies include water supply and sewage treatment, and investment, construction, integrated equipment and operation management of waste incineration power generation projects, as well as environmental remediation.

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

Note 2: Relevant data is consolidated, and has been adjusted with factors such as premium amortisation.

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

2. Analysis of major controlling companies and participating companies whose net profit or investment income has an impact of 10% or more on the net profit attributable to the shareholders of the listed company during the Reporting Period

Unit: '000 Currency: RMB

Company name	Shareholding (controlling/participating) by the Group	Net profit/investment income during the Reporting Period	Proportion of net profit/investment income to the net profit attributable to the owners of the Company during the Reporting Period (negative values presented as absolute values)	Amount of revenue from main businesses during the Reporting Period	Cost of principal business during the Reporting Period	Profit from main business during the Reporting Period
Outer Ring Company	Wholly-owned subsidiary of the Company	727,876	63.57%	1,169,724	413,262	756,461
Shenchang Company	Non-wholly-owned subsidiary of the Company	132,525	11.57%	262,362	99,564	162,798
Bay Area Development	Non-wholly-owned subsidiary of the Company	199,562	17.43%	736,287	388,989	347,298
Environmental Company	Wholly-owned subsidiary of the Company	-633,128	55.29%	659,014	681,461	-22,447
Derun Environment	Associate owned as to 20% by the Company	136,825	11.95%	13,220,828	9,206,328	4,014,500

3. 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.

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

1. Changes in accounting policies

The Ministry of Finance issued “Interpretation of Accounting Standards for Business Enterprises (No. 17)” (Interpretation No. 17) on 25 October 2023, regulating the division of current and non-current liabilities, and the accounting treatment of sale and leaseback transactions, which came into effect on 1 January 2024. The Group has implemented the relevant provisions of Interpretation No. 17 from 1 January 2024. Based on evaluation, the Group believes that implementing these provisions will not have any significant impact on the financial statements.

The Ministry of Finance issued “Interpretation of Accounting Standards for Business Enterprises (No. 18)” (Interpretation No. 18) on 6 December 2024, regulating the subsequent measurement of investment properties held as underlying projects under the floating fee method, and the accounting treatment of quality guarantees other than single performance obligations, which came into effect on 6 December 2024. Enterprises are allowed to implement them in advance from the year of issuance. The Group has implemented the relevant provisions of Interpretation No. 18 from 6 December 2024. Based on evaluation, the Group believes that implementing these provisions will not have any significant impact on the financial statements.

2. Changes in accounting estimates

According to the Company’s relevant accounting policies and systems, and the actual situation of the main toll roads, the Group has changed the accounting estimates for the unit amortised amount of concession intangible assets of Jihe Expressway, Qinglian Expressway and Changsha Ring Road from 1 July 2024. Such change increased the equity attributable to shareholders of the parent company as of 31 December 2024 by approximately RMB9,575,000, and the net profit attributable to shareholders of the parent company of the Group during the Reporting Period by approximately RMB9,575,000. During the Reporting Period, the above change had no significant impact on the financial condition and operating performance of the Group.

This change to accounting estimates was considered and approved by the 48th meeting of the 9th session of the Board of the Company. For details, please refer to note III\35 to the Financial Statements in this report, and the relevant announcement of the Company dated 30 October 2024.

(VIII) Fulfilment of performance commitments and impact on goodwill impairment test

1. Nanjing Wind Power

At the end of October 2024, an individual shareholder of the committing party of Nanjing Wind Power transferred 1.96% equity interests in Nanjing Wind Power held by it to the Environmental Company without compensation. By then, the committing party of Nanjing Wind Power had transferred all its equity interests in Nanjing Wind Power to the Environmental Company without compensation, and the relevant performance commitment had been fulfilled.

2. Bioland

On 15 October 2023, the Environmental Company received an arbitration notice from the Shenzhen Court of International Arbitration, requesting that it should assume 1% of its performance compensation liability in 2021, and the Environmental Company should return the equity interests already compensated for to the committing party. Regarding this arbitration, the Environmental Company has engaged a law firm to handle this case as an agent, which is being tried.



MANAGEMENT DISCUSSION AND ANALYSIS

In November 2024, the Environmental Company filed an arbitration with the Shenzhen Court of International Arbitration, requesting that the committing party should pay the performance commitment compensation in 2023 to the Environmental Company. The court has accepted this case, and merged it with the performance compensation arbitration request filed by the Environmental Company in 2023 for trial, but the court trial time has not been determined. In May 2024, the Environmental Company received a notice from the Nanshan District People's Court, Shenzhen, stating that the known properties in the name of the committing party had been preserved.

Later, the Group will continue to take legal and other measures actively to cause the committing party to fulfil its VAM liability, and protect the legitimate rights and interests of the Group effectively.

3. *Shenshan Qiantai*

The audit report 2024 of Shenshan Qiantai has not been issued. According to preliminary financial accounting results, the net profit for the year is -RMB112.67 million, failing to achieve the performance commitment target of "no less than RMB28.34 million". According to the relevant agreement, the committing party has pledged 15.67% equity interests in Shenshan Qiantai to the Infrastructure and Environmental Protection Company as a compensation guarantee for the performance shortfall. It is expected that the fair value of such equity interests can cover the performance compensation income receivable in 2023 and partly cover the performance compensation income receivable in 2024. The Infrastructure and Environmental Protection Company recognised performance compensation income of RMB36.10 million in 2023 and RMB12.93 million in 2024 on the prudence principle.

In September 2024, the Infrastructure and Environmental Protection Company submitted the first instance litigation materials to the Longhua District Court, Shenzhen, requesting Shenzhen Qiantai to perform the promised compensation obligation, which is currently going through the pre-trial mediation procedure.

For the performance commitments of Nanjing Wind Power, Bioland and Shenshan Qiantai, and the fulfilment of the past performance commitments, please refer to the relevant contents in "Section 8 Significant Events" in the Annual Report 2023 of the Company.

(IX) Profit distribution plan

The Company's 2024 net profits attributable to ordinary shareholders of listed companies in its consolidated statements and the net profit of the parent company in its statements audited based on CASBE were RMB1,145,048,951.69 and RMB1,485,629,540.45 respectively. The Board recommended that after the Company transfers the statutory surplus reserve of RMB130,291,842.93 and the discretionary surplus reserve of 260,583,685.86 for the year 2024, a final dividend for the year ended 31 December 2024 be distributed to all shareholders based on the total share capital of 2,537,856,127 shares after the implementation of the A-share issuance in March 2025 with a dividend of RMB0.244 per share (tax included), amounting to a total of RMB619,236,894.99, which accounts for 64.35% of the net profits attributable to ordinary shareholders of the listed company in the consolidated statements for the year 2024 after excluding the investment income payable to the holders of the perpetual bonds. The residual balance upon distribution shall be carried forward to the next year. No capital reserve was converted into share capital during the year. The aforesaid proposal will be submitted for approval at the 2024 Annual General Meeting of the Company.

1. *Formulation, Implementation or Adjustment of Cash Dividend Policy*

The Company has always been pursuing to reward its shareholders and has been distributing cash dividends for 27 consecutive years since its listing.

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

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

The 2024 profit distribution proposal (including the cash dividend proposal) formulated by the Company was in compliance with the relevant requirements of the Articles of Association and the Shareholders' Return Proposal. While formulating and determining the proposal, the independent directors have issued an independent opinion after careful study and analysis of the relevant factors. The company is also able to listen to the opinions of the independent directors and the shareholders through various channels, and give regard to the demands and legitimate interests of the minority investors.

2. *Plans of Profit Distribution and Conversion of Capital Reserve into Share Capital of the Company in the Past Three Years and Proposal of 2024*

Unit: yuan Currency: RMB

Year of dividend distribution	Number of bonus shares send for every 10 shares (shares)	Number of dividends paid for every 10 shares (RMB) (tax inclusive)	Number of conversions for every 10 shares (shares)	Cash dividend amount (tax inclusive)	Net profit in the consolidated statements of the year of dividend distribution	Percentage of dividend over the net profit in consolidated statements (%) ^{Note}
2024 proposal	0	2.44	0	619,236,894.99	1,145,048,951.69	64.35
2023	0	5.50	0	1,199,423,679.30	2,327,197,196.81	56.03
2022	0	4.62	0	1,007,515,890.61	2,014,112,457.01	55.13

Note 1: The net profit attributable to the ordinary shareholders of the listed company in the consolidated statements for the year of dividend distribution of 2022 in the above table was data before restatement.

Note 2: The ratios of dividends from 2022 to 2024 as shown in the table are calculated based on the net profits attributable to ordinary shareholders of the listed company in the consolidated statements for the dividend years, after excluding the investment income payable to the holders of the perpetual bonds.

MANAGEMENT DISCUSSION AND ANALYSIS

VI. Outlook and Plans

(I) Development Strategies of the Company

According to the 14th Five-Year (2021-2025) Development Strategy approved by the general meeting, the overall development strategy of the Company is to seize the opportunities of the times arising from the process of building the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen into pilot socialist demonstration areas with Chinese characteristics in a market-oriented and innovation-driven manner, enhance our advantages in the toll highway industry, and actively expand into the featured environmental protection and integrated clean energy industries, thereby building a smart Shenzhen Expressway and facilitating the high-quality sustainable development of the Company.

2025 is the final year of the Company's 14th Five-Year Strategy and the year of planning of the 15th Five-Year Development Strategy. The Company will evaluate and review the implementation performance of the 14th Five-Year Strategy comprehensively, summarise the experience and lessons of transformation and development during the 14th Five-Year Strategy period profoundly, analyse national industry policy directions, technological innovation trends, industry development trends, and our own resource endowment and capabilities deeply, plan development ideas scientifically and pragmatically, and formulate the Group's 15th Five-Year Development Strategy to chart the Group's development goals, directions and strategies for the next stage, and promote high-quality and sustainable business development of the Group.

(II) Operation Plans

In 2025, the Group will adhere to the working principle of pursuing progress while ensuring stability, highlight strategic focuses, optimise implementation strategies, promote high-quality development solidly, implement the new development philosophy comprehensively, and accelerate the establishment of a new development pattern, laying a solid foundation for achieving a good beginning during the 15th Five-Year period. Based on the analysis of and expectations for our operating environment and conditions, the Group's revenue from the core businesses and operating costs are expected to remain stable in 2025. The priorities of the Group in 2025 are as follows:

- ◆ **Toll Highway Business:** Continue to strengthen the asset base, and keep consolidating and improving the core business of toll highways by adhering to the strategic orientation. Fully promote the construction of major projects, and coordinate the construction of the Jihe Expressway R&E Project, and Outer Ring Phase III; strengthen the standardisation level of road management and maintenance, and keep expanding the service advantages and brand influence of integrated management and maintenance projects; promote intelligent innovation and development, strengthen the application of digital technology to specific operations such as major project construction, toll management, road operation and maintenance, and keep improving the quality and efficiency of construction and operation management. Pay attention to investment and M&A opportunities for high-quality projects, explore upstream and downstream operations in the industry chain, and consolidate and enhance the core business of toll highways; take opportunities such as highway expansion and reconstruction to promote the development and utilisation of land resources along highways, and increase the overall return on investment of toll highways.
- ◆ **General Environmental Protection and Other Businesses:** Prioritise the quality and efficiency improvement, and business integration of the existing projects. Pay attention to the acquisition of high-quality wind farm and photovoltaic farm resources, and explore the development of clean energy projects in combination with resources such as expressway toll stations and industry parks. In the solid waste recycling segment, implement restructuring deeply, and explore and develop business opportunities for oil and grease, and waste recycling. Strengthen technological R&D capabilities and product development efforts for used battery treatment and cascade utilisation, develop new business opportunities, and improve profitability.

- ◆ **Financial Management and Corporate Governance:** Promote financial digitalisation, and further improve the efficiency of financial management. Pay close attention to fiscal and tax policy directions, and changes in the market environment, and adjust funding strategies in a timely manner. Optimise the financial structure, and reduce financial costs by fully leveraging the advantages of the listing platforms of A+H shares in both places, and making flexible use of various means such as equity and debt financing. Manage and raise funds effectively to provide financial support for major construction projects and business operations of the Group. Further strengthen the Group's classified management and financial control on our subsidiaries, and keep improving the management policies and authorisation management system. Keep optimising the corporate governance structure and improving the supporting mechanism for the performance of duties by the Board. Stick to high-quality information disclosure, strengthen investor relations management, perform social responsibility practically, and ensure the high-quality and sustainable development of the Company.

(III) Capital Expenditure Plan

As of the date of approval of this report, the capital expenditures approved by the Board of the Group mainly included the construction expenditures for Outer Ring Expressway, Jihe Expressway R&E Project, kitchen waste projects of Bioland, Guangming Environmental Park and other projects. It is estimated that by the end of 2027, the total capital expenditure of the Group approved by the Board will be approximately RMB20.6 billion. The Group plans to use its own funds 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 2025 to 2027 are as follows:

Unit: '000 Currency: RMB

Name of item	2025	2026	2027	Total
I. Investment in Intangible Assets and Fixed Assets				
Outer Ring Project (Phases I, II and III)	910,664	1,759,524	2,003,233	4,673,421
Coastal Phase II	14,397	–	–	14,397
Jihe Expressway R&E Project	3,853,135	4,500,000	5,000,000	13,353,135
Kitchen waste projects of Bioland	214,900	86,763	32,810	334,473
Guangming Environmental Park Project	143,989	112,733	10,927	267,649
Lisai Environmental Technology Renovation Project	5,048	–	–	5,048
Qinglian Highway Upgrading Project	130,934	–	614	131,548
II. Equity Investment				
Capital increase of Guangshenzhu Company	295,000	696,000	832,000	1,823,000
Balances of investments and M&As	6,475	–	–	6,475
Total	5,574,542	7,155,020	7,879,584	20,609,146

Note 1: Final payment amounts and times of balances of investments and M&As depend on the fulfilment of prerequisites specified in agreements.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Risk Management

Through the active identification and assessment of, and response to risk issues arising from our operation, the Company has applied risk management to all aspects, including corporate strategies, financial management, decision-making, operations and finance. For details of the establishment and operation of the Company's risk management system, please refer to the "Internal Control" section in the 2024 Annual Report of the Company.. Currently, the Company focuses on internal and external risk issues in respect of operation management, business expansion, financing and construction management.

1. Industry and Policy Risks

Risk position/analysis:

The traffic volume of toll highways invested and operated by the Group is closely related to the regional economic development, and is easily affected by changes in the economic environment, thereby impacting the Group's profitability performance. The Group's clean energy business is primarily located in the northwest region with abundant wind resources. However, with the accelerated advancement of the "carbon peaking and carbon neutrality" strategy, a large number of competitive projects are being connected to the grid. At the same time, constrained by regional consumption demand, the curtailment rate of wind power in the relevant areas may increase, thereby affecting the company's grid-connected electricity volume. The toll highway and general environmental protection businesses engaged by the Group are highly associated with changes in national industry policies: The revision of the "Regulations on the Administration of Toll Highways" has not yet been issued, and changes in the principles for determining toll periods and standards remain unclear, with no market-oriented determination and adjustment mechanism formed. The "Measures for the Administration of Concession Management of Infrastructure and Public Utilities" jointly issued by the National Development and Reform Commission and the Ministry of Finance have increased support for private enterprises participating in concession projects in industries such as general environmental protection, intensifying market competition in the environmental protection industry. The "Notice on Deepening the Market-oriented Reform of New Energy On-grid Tariffs to Promote High-quality Development of New Energy" jointly issued by the National Development and Reform Commission and the National Energy Administration signifies that the new energy industry is bidding farewell to the "guaranteed price and quantity" era and fully entering a new stage of market-oriented competition, which may trigger market price fluctuations and increase the uncertainty of returns on new energy projects. In addition, the market space in advantageous regions for the toll highway industry and the general environmental protection industry is becoming saturated, making it increasingly difficult to acquire high-quality projects.

Management/response measures:

The Group's main toll highway assets are located in economically developed regions such as the Guangdong-Hong Kong-Macao Greater Bay Area, laying a solid foundation for stable operational performance. The opening of Shenzhen-Zhongshan Tunnel accelerates the flow of resources across both sides of the Pearl River, which is conducive to promoting the growth of road traffic volume around the tunnel. In the future, with the progress and completion of major new construction, reconstruction and expansion projects such as Outer Ring Phase III and Jihe Expressway, the core advantages of the Group in the toll highway business are expected to be further consolidated. The Group's clean energy power generation projects are located in regions with abundant wind and solar resources. In recent years, as multiple ultra-high-voltage power transmission lines are put into operation, the uneven distribution of and demand for clean energy resources have been mitigated to some extent. In addition, most of the Group's clean energy power generation projects have been included in the subsidy catalogue, and have a certain price advantage.

The Group will focus on strategically important business sectors, and make timely business adjustments based on policy and environmental changes, and the Company's resources and capabilities, and give full to business synergy and economies of scale to promote the steady development of our core businesses. The Group will further strengthen communication with competent government authorities to strive for favourable policy conditions, and enhance risk prediction and analysis in project investment to improve the risk resistance of projects.

2. **Operational Management Risks**

Risk position/analysis:

Given more stringent requirements and standards raised by the government and the public for expressway traffic efficiency, maintenance level, driving safety, emergency rescue, etc., as well as the requirements to promote the digital transformation of highways and accelerate the construction of smart highways put forward by the strategic plan of building China's strength in transportation, the toll highway business is facing greater operation and management challenges.

In recent years, the operational development of some environmental protection projects of the Group has not met expectations. Among them, the profitability of kitchen waste treatment projects has been affected by factors such as the decline in grease sales prices, insufficient collection and transportation volume, and the progress or level of adjustment in collection and treatment service fees not meeting expectations, which may lead to project investment returns falling short of expectations. The number of hours of power generation for new energy power generation projects are influenced by various factors such as natural weather, grid policies, wind farm operations, maintenance, and grid absorption capacity. Additionally, the reduction or cancelation of guaranteed purchase hours, fluctuations in transaction electricity prices, and the transmission capacity of outbound lines will all impact the overall returns of the projects, thereby leading to project investment returns not meeting expectations.

In addition, standards and penalty levels in the general environmental protection industry have been increasing, imposing higher requirements for the operation management and risk prevention of general environmental protection projects.

Management/response measures:

In recent years, the Group has accelerated our digital transformation, and strengthened the application of innovative technologies to highway construction, operation and maintenance. The Group has kept improving traffic efficiency and user experience under the ETC model, accelerated the detection and response of road abnormalities using technologies such as drone patrol, and strengthened the intelligent management capability of projects through major construction projects such as the Jihe Expressway R&E Project. The above work has gained a lot of digitalisation experience for the Group, and paved the way for maintaining our leadership in the toll highway business.

In terms of the kitchen waste disposal project, the Group plans to expand its oil resource recovery business, fully leveraging the advantages of project scale and national layout to gradually establish a waste oil recovery network and expand the end customer base for oil sales. Meanwhile, the company aims to enhance product revenue by upgrading and transforming the oil processing lines to improve oil quality. The Company actively promoted the price adjustment work through proactive communication with relevant government departments. The company will also enhance the collection and transportation production management processes and control details, and promote the increase in collection and transportation volume through a scientific collection and transportation management model and multiple measures.



MANAGEMENT DISCUSSION AND ANALYSIS

In terms of new energy power generation projects, the Group maintains close contact with local power grids to control the wind curtailment rate and ensure reasonable power generation hours; closely monitors the trading situation of power grids in various regions and the changes and influencing factors of guaranteed power supply, conducts in-depth research on the price difference settlement mechanisms and power market trading rules in different regions, and promptly evaluates response measures to policy changes; summarizes the operational experience and methods of wind farm projects, learns advanced operational experience, strengthens daily inspection and maintenance of equipment, promptly identifies and addresses issues, ensures the stability of equipment operation, and prepares various emergency plans in advance. Optimize new project investment strategies, with a focus on projects in areas with favorable consumption conditions and the ability to create scale effects with existing wind farms.

In addition, the Group continues to implement the concept of refined operational management, and deepen cost reduction and efficiency improvement measures by optimising the organisational structure, strengthening internal management, and promoting personnel and business integration actively and steadily. The Group will further improve the project management model, strengthen the technological transformation and upgrading of the existing projects, enhance innovation and construction in informatisation and intelligence, and improve project operation efficiency, and product and service quality, thereby improving the profitability of our operating projects. The Group will further strengthen communication and coordination with local competent authorities, comply with national environmental protection policies and regulations strictly, and do well in safety management.

3. **Financing Risks**

Risk position/analysis:

The Group's existing toll highway and general environmental protection businesses are both capital-intensive industries, have undergone intensive efforts and an increasing overall scale of investment in recent years, and are expecting a surge in capital expenditures in years ahead. While ensuring the repayment of mature debts and dividend distribution, the Group should also make proper arrangements for investment expenditure for new projects and fund payment for the existing projects. Currently, the Group has a high debt-to-asset ratio and limited room for debt financing. In case of capital shortage or financing cost increase in the market in the future, the Group may be exposed to financing risks.

Management/response measures:

The Central Economic Work Conference has made it clear that in 2025, China will implement a more proactive fiscal policy and a moderately loose monetary policy, maintain sufficient liquidity, and keep interest rates basically stable at a reasonable and balanced level. The Group will pay constant attention to interest rate trends, reserve financial resources in advance, and reduce financial costs.

In addition, the Group will manage financing risks in the following ways: (1) develop a rolling capital plan, and control overall payment arrangements by planning in advance; (2) coordinate bank resources, maintain sufficient credit lines, closely monitor changes in credit policies, safeguard domestic and overseas credit ratings, maintain close communication and mutual trust with financial institutions, and plan financing plans in advance according to business needs; (3) make effective use of the multi-level capital market to expand financing channels, and make flexible use of equity and debt financing tools to reduce capital costs and improve the capital structure while meeting funding needs; (4) seize market opportunities to exchange for higher-interest loans, keep optimising the Company's debt structure, reduce financial cost risks, and improve resource allocation efficiency.

4. **Construction and Management Risks**

Risk position/analysis:

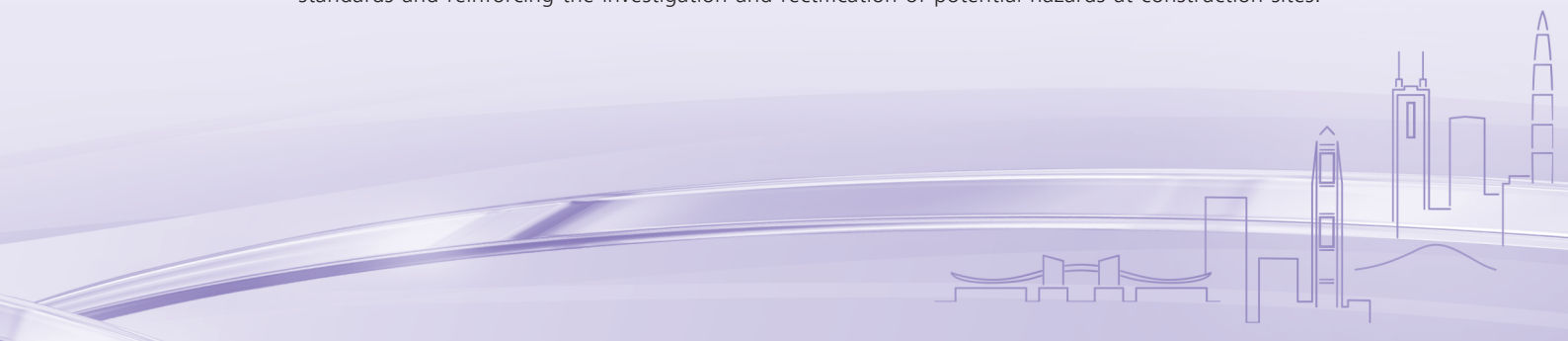
The Group's current major projects under construction include the Jihe Expressway reconstruction and expansion project, the Outer Ring Phase III project, and the Beijing-Hong Kong-Macao Expressway Guangzhou to Shenzhen section reconstruction and expansion project, among others. The Jihe Expressway reconstruction and expansion is conducted using an integrated 3D channel model, with a total length of approximately 42 kilometres. The project is large in scale and involves complex construction techniques, with construction maintenance carried out on the existing expressway, posing high challenges in construction organisation and assurance. The Phase III of the Outer Ring project has a total length of approximately 16.8 kilometres, with a bridge-tunnel ratio of 95%, and five interchanges along the route. The construction conditions are complex, with potential risks of investment exceeding estimates and delays in the construction schedule. The Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway reconstruction and expansion project covers a total distance of approximately 122.8 kilometres, expanding from the current two-way 6-lane traffic to 8 to 12 lanes on different sections. The aforementioned projects have long construction cycles, require significant capital investment, and involve high technical difficulty. Ensuring the smooth progress of each project, effectively managing project costs, ensuring construction quality, completing construction progress as planned, and ensuring construction safety are major challenges currently faced by the Group.

Management/response measure:

After nearly 30 years of development, engineering construction management capability has become one of the important core capabilities of the Group. The Group possesses an experienced construction management team. By enhancing the depth of survey and design work, conducting detailed analysis and evaluation of construction arrangements, and strengthening the management and assessment of engineering contractors, it mitigates and resolves construction management risks.

In terms of investment control, firstly, the company has established an integrated cost management system covering the entire chain of estimation, budgeting, and final accounting, achieving dynamic cost control throughout the process to ensure that project costs are kept within the total investment scope. Secondly, the construction contract includes a mechanism for sharing risks through contract terms to effectively reduce the risk of building material price fluctuations. Thirdly, the company strengthens change management in engineering, enhances internal control, and allocates responsibilities based on the principle of equality in duties, rights, and interests. In terms of construction site management, the Company has established mechanisms to address issues such as land acquisition, demolition, and pipeline relocation that affect the full commencement of the main project, ensuring that projects quickly achieve unobstructed construction conditions. The Company employs the critical path method to formulate phased milestone plans and has set up a production safety intelligence center and a BIM construction management platform to achieve digital scheduling of personnel, machinery, and materials, comprehensively enhancing project management efficiency. Additionally, prefabricated assembly construction is being adopted on a large scale in projects where conditions permit to further improve construction efficiency.

In addition, the Group places great emphasis on safety production management by conducting comprehensive safety risk assessments for each project, formulating targeted safety management and emergency assurance measures, utilising grid management tools to refine on-site safety management, and strictly supervising participating units to implement safety management work in accordance with contractual provisions. The Group also strengthens safety education and training for workers and enhances emergency response capabilities, strictly adhering to operational standards and reinforcing the investigation and rectification of potential hazards at construction sites.



REPORT OF THE DIRECTORS

The Board hereby presents the Report of the Directors and the audited financial statements for the year ended 31 December 2024. The financial statements have been prepared in accordance with CASBE, and also in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules of the HKEx.

Main Businesses and Review

The Group principally engages in the investment, construction, operation and management of toll highways, and the general environmental protection business in China. At present, the general environmental protection business mainly includes solid waste recycling treatment, and clean energy power generation. During the Reporting Period, there was no substantial change in respect of the Group's businesses. The discussion and analysis of the Group's business as required by the relevant regulations and guidelines (including but not limited to the relevant regulations and guidelines of the PRC and Hong Kong, and the Hong Kong Companies Ordinance), business development plans, main risks encountered, uncertainties, key financial indicators, etc. can be found in "Management Discussion and Analysis" in this annual report, the Notes to the Financial Statements, and the Environmental, Social and Governance Report 2024 of the Company dated 21 March 2025.

Major Customers and Suppliers

During the Reporting Period, the revenue from the Group's top five customers and the amounts of purchases from the Group's top five suppliers accounted for approximately 10.33% and 40.38% of the Group's total revenue and total amount of purchases, respectively. For details, please refer to "Financial Analysis" of "Management Discussion and Analysis" in this annual report. No further disclosure in respect of its major customers and suppliers is to be made by the Group.

Results, Dividend Distribution Policy and Distribution

The results of the Group for the year ended 31 December 2024 are set out in the Consolidated Income Statement in this annual report.

The Board recommended the payment of a final dividend of RMB0.244 (tax included) per share in cash for 2024, and the details of the Company's dividend distribution policy and the 2024 profit distribution plan are set out in "Financial Analysis" of "Management Discussion and Analysis" in this annual report.

Financial Highlights of the Group

The financial positions of the Group and the Company as at 31 December 2024 are set out in the Consolidated Balance Sheet and the Company Balance Sheet in this annual report.

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

Share Capital

As at the end of the Reporting Period, the share capital of the Company is RMB2,180,770,326. Details are set out in "Share Capital and Shareholders" and note V42 to the Financial Statements in this annual report.

Purchase, Sale or Redemption of Securities

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

Pre-emptive Rights

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

Reserves Available for Distribution

As at 31 December 2024, the reserves available for distribution to shareholders of the Company according to the Chinese Accounting Standards were RMB8,586,181,562.92, and the Company's share premium accounts could be distributed through paid-up dividend shares.

The amounts and details of material transfers to and from reserves of the Group and the Company during the Reporting Period are set out in note V47 to the Financial Statements in this annual report.

Tax and Tax Relief

Shareholders of the Company are taxed in accordance with the following tax regulations and the amendments thereof from time to time. They shall enjoy possible tax relief according to the actual situation. The following laws, regulations and normative documents are extracted from relevant provisions issued and effective as of 31 December 2024. Shareholders shall, if necessary, consult professional tax and legal advisors for advice relating to specific tax payment or the impact thereof.

Holders of A Shares:

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

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



REPORT OF THE DIRECTORS

Holders of H Shares:

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

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

Investors of the Shanghai-Hong Kong Stock Connect Program:

For tax matters on individual investors in the PRC investing in H shares listed on HKEx and investors in Hong Kong investing in A shares listed on the Shanghai Stock Exchange under the Shanghai-Hong Kong Stock Connect Program, please refer to the Notice on Tax Policy Concerning the Pilot Inter-connected Mechanism for Trading on the Stock Markets of Shanghai and Hong Kong (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81) and the Notice on Continuing the Implementation of the Individual Income Tax Policy Concerning the Inter-connected Mechanism for Trading on the Stock Markets of Shanghai and Hong Kong (《關於繼續執行滬港股票市場交易互聯互通機制有關個人所得稅政策的通知》) (Cai Shui [2017] No. 78) jointly issued by the Ministry of Finance, State Administration of Taxation and CSRC.

Charity Donations

During the Reporting Period, the Group did not make any donation for charity or public welfare purposes.

Environmental Policies and Performance

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

For details of the Group's environmental policies and performance during the Reporting Period, please refer to the Environmental, Social and Governance Report 2024 of the Company.

Communication with Stakeholders

The Company has paid attention to and actively identified the appeals and expectations of stakeholders on an ongoing basis, including the government, shareholders, suppliers, customers, employees and communities. The Company has improved the communication and feedback mechanism by establishing diverse communication channels, with a view to fully understanding and actively responding to the needs of its stakeholders, thereby facilitating the sustainable development of both the Company and the stakeholders. Communication of the stakeholders of the Company is as follows:

Stakeholders	Appeals and Expectations	Responses
Government and regulatory authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Implement state policies, and promote economic and social development • Carry out targeted poverty alleviation and support regional development 	<ul style="list-style-type: none"> • Continually strengthen the Company's compliance management, and ensure lawful and compliant operation • Develop and continually optimise the Company's strategic positioning, industry directions and business initiatives, ensure compliance with the state's policy orientation, pay equal attention to economic and social benefits in business development, and promote economic and social development • Carry out targeted poverty alleviation and support regional development by such means as industry investment, staff dispatching and public welfare input
Shareholder	<ul style="list-style-type: none"> • Steady returns and dividends • Reducing investment risks • Open and transparent information 	<ul style="list-style-type: none"> • Conduct business operations properly, improve business performance, and maintain a stable dividend distribution policy • Improve business management, and pay attention to risk identification and control • Conduct information disclosure compliantly and pay attention to investor relations
Supplier	<ul style="list-style-type: none"> • Commence cooperation to achieve a win-win situation • Abide by contracts • Promote development of industries 	<ul style="list-style-type: none"> • Promote fair procurement to create a responsible supply chain • Keep promises and perform contracts honestly • Suppliers are encouraged to promote industry development jointly by applying new technologies, materials and processes, and optimising management models
Clients	<ul style="list-style-type: none"> • High-quality services • Maintain safe and smooth operation of roads • Timely rescue and barrier removal • Comprehensive and timely road information • Perfect road facilities 	<ul style="list-style-type: none"> • Disclose service feedback and complaint channels • Improve traffic efficiency through technological and model innovation • Strengthen emergency rescue and attach importance to road safety management • Release traffic information timely • Strengthen road maintenance



REPORT OF THE DIRECTORS

Stakeholders	Appeals and Expectations	Responses
Employees	<ul style="list-style-type: none"> • Remuneration packages • Room for development • Training system 	<ul style="list-style-type: none"> • Improve the remuneration and performance system continually, and conduct employee satisfaction surveys • Optimise the job system and evaluation-based promotion mechanism, establish systems for competitive employment of management positions and new employee orientation, etc. • Pay attention to vocational development training, develop online and offline training courses, and establish a diploma education and technical title incentive mechanism, etc.
Community	<ul style="list-style-type: none"> • Environmental impact of highways • Ethics in business operation • Participate in community development • Support public welfare programs 	<ul style="list-style-type: none"> • Carry out project environmental impact assessment and planning design properly • Pay attention to coordinated development with surrounding communities, disclose complaint channels, and handle reasonable demands timely and properly • Carry out targeted poverty alleviation and support regional development • Conduct public welfare activities
Environmental protection NGOs	<ul style="list-style-type: none"> • Ensure reasonable utilisation of resources • Protect the ecological environment 	<ul style="list-style-type: none"> • Increase the utilisation rate of energy and resources • Implement green operation and green office • Enhance information disclosure regarding environmental protection

In 2024, the Company continued to communicate and interact with various stakeholders through different channels to create a mutually beneficial and win-win relationship and promote the sustainable development of the Company. For details of the Company's fulfilment of social responsibility for stakeholders during the Reporting Period, please refer to the chapter headed "Investor Relations" in this annual report as well as the Company's Environmental, Social and Governance Report 2024.

Compliance with Laws and Regulations

In 2024, the Group complied with the relevant laws and regulations that exerted a significant impact on its businesses. Pursuant to the disclosure requirements under the Environmental, Social and Governance Reporting Guidelines contained in Appendix C2 of the Listing Rules of the HKEx, the relevant details are set out as follows:

Principal laws/regulations	Policies/regulations formulated by the Company;	Compliance measures
Highway Law of the People's Republic of China (《中華人民共和國公路法》) Measures on the Administration of Highway Project Quality (《公路工程質量管理辦法》) Inspection and Evaluation Quality Standards for Highway Engineering (JTG F80/1-2004) (《公路工程質量檢驗評定標準 (JTG F80/1-2004)》)	Procedures for Engineering Quality Management (《工程質量管理規程》) Procedures for Construction Safety Management (《施工安全管理規程》) Manual for Standardised Management of Engineering Construction (《工程施工標準化管理手冊》) Manual for the Prevention of Common Quality Issues (《質量通病防治手冊》) Engineering Construction Organisation Design Scheme (《工程施工組織設計方案》) Specifications for Supervision of Highway Projects (《公路工程監理規範》) Procedures for Construction Management Control (《工程建設管理控制程序》) Regulations on Supervision and Inspection of Construction Projects (《工程建設項目監督檢查規程》)	The Company has strictly implemented its systems and procedures. During the project management process, the Company treats contract management as the core and implements refined control over construction quality through measures such as system management, access management, construction procedure management, and standardised management. It implements quality management systems such as access management for equipment, access system for raw materials, owners' independent random inspection system, first construction recognition system, and trial construction system, so as to ensure the quality of its construction projects.
Regulations on the Administration of Toll Highways (《收費公路管理條例》) Road Administration Regulations (《路政管理規定》) Technical Condition Evaluation Standards for Highways (JTG H20-2007) (《公路技術狀況評定標準 (JTG H20-2007)》) Highway Maintenance Technical Specifications (JTG H10-2009) (《公路養護技術規範 (JTG H10-2009)》)	Technical Specifications and Acceptance Criteria for Daily Maintenance Works (《日常養護工程技術規範與驗收標準》) Manual for Project Management of Special Maintenance Works (《專項養護工程項目管理手冊》) Implementation Measures for Maintenance Work and Road Assets Management during the Defect Liability Period of Newly Constructed Highways (《新建公路缺陷責任期內養護、路產管理實施辦法》) Management of Highway Maintenance Projects (《公路養護項目委託實施辦法》) Administrative Measures for Highway Maintenance Contracts (《公路養護合同管理辦法》) Investigation and Rectification System on Potential Hazards of Road Maintenance Department (《道路養護部隱患排查治理制度》)	The Company has been strictly adhering to the National Highway Maintenance Technical Specifications and Assessment Criteria, pursuant to which a mid-to-long term maintenance plan for each expressway has been formulated. Routine and regular inspections have been conducted to ensure the safety of structures such as bridges and tunnels. The Company has been closely monitoring the technical conditions of highways to identify and make corrections for highway damages as early as possible.



REPORT OF THE DIRECTORS

Principal laws/regulations	Policies/regulations formulated by the Company;	Compliance measures
<p>Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》)</p> <p>Implementation of the Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》)</p> <p>Civil Code of the People's Republic of China (《中華人民共和國民法典》)</p>	<p>Procurement Management Procedures (《採購管理程式》)</p> <p>Procurement Operating Guidelines (《採購操作細則》)</p> <p>Supplier Performance Evaluation Management Measures (《供應商履約評價管理辦法》)</p> <p>Management Measures for the Formation of the Bid Evaluation and Award Committee (《評標、定標委員會組建管理辦法》)</p> <p>Administrative Measures for Tendering and Bidding of Highway Construction Projects (《公路工程建設項目招標投標管理辦法》)</p> <p>Administrative Measures for Outsourcing and Management (《分包管理辦法》)</p> <p>Measures for Tendering and Bidding of Construction Projects (《工程建設項目施工招標投標辦法》)</p> <p>Management Measures for Tendering and Bidding of Supervision over Highway Construction (《公路工程施工監理招標投標管理辦法》)</p> <p>Procedures for Project Tendering Management (《項目招標管理規程》)</p> <p>Procedures for Special Construction Technologies (《專用施工技術規程》)</p> <p>Management Measures for Documents of Contractors Engaging in Highway Maintenance (《公路養護承包商檔案管理辦法》)</p>	<p>The Company has formulated and strictly adhered to the standards for special construction technologies in accordance with the regulatory requirements regarding qualification management, and tendering and bidding management. The Company has reviewed the qualification of potential contractors, strengthened its control over the quality of tender documents, and regularly evaluated, and established appraisal and assessment records for the constructors or contractors with whom it cooperates, striving to select cooperation partners who can meet the requirements for qualification and project quality, and establish long term cooperation relationship with creditworthy partners.</p>
<p>Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)</p> <p>Air Pollution Prevention Law of the People's Republic of China (《中華人民共和國大氣污染防治法》)</p> <p>Water Pollution Prevention Law of the People's Republic of China (《中華人民共和國水污染防治法》)</p> <p>Solid Waste Pollution Prevention Law of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》)</p> <p>Opinions on Further Promoting Classification of Household Waste (《關於進一步推進生活垃圾分類工作的若干意見》)</p> <p>Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》)</p>	<p>Measures for the Management of Ecological and Environmental Protection (《生態環境保護管理辦法》)</p> <p>Measures for the Management of Ecological Civilization Construction Appraisal (《生態文明建設考核管理辦法》)</p> <p>Monitoring and Management System for Third Parties (《第三方監測管理制度》)</p> <p>Operating Rules for Deodorisation (《除臭操作規範》)</p> <p>Operating Procedures for Sewage (《污水操作規程》)</p> <p>Operating Procedures for the Desulphurization System (《脫硫系統操作規程》)</p> <p>Regulations on Maintenance of Pre-processing Equipment (《預處理設備維修規範》)</p> <p>Regulations on Maintenance of Anaerobic Gas and Methane Equipment (《厭氧沼氣設備維修規範》)</p> <p>Management System of Equipment (《設備管理制度》)</p> <p>Management System of Production Sites (《生產現場管理制度》)</p> <p>Operation Guide on Analysis of Operating Data of Wind Turbine (《風機運行數據分析作業指導書》)</p> <p>Management System of Equipment Abnormality (《設備異動管理制度》)</p> <p>Management System of Technical Transformation (《技術改造管理制度》)</p> <p>Management System of Special Projects (《專項工程管理制度》)</p> <p>Monitoring and Management System of Techniques (《技術監督管理制度》)</p>	<p>In accordance with requirements of the relevant laws and regulations on environmental protection, the Company has formulated the corresponding operating rules and management systems, coupled with the establishment of facilities and equipment of environmental protection with stringent management, to ensure effective operation of such facilities and equipment of environmental protection. The Company has also monitored the emission and treatment of all types of waste in strict compliance with the requirements of pollutant discharge and environmental impact assessment to ensure compliance with the standards. In strict compliance with the technical regulations and evaluation standards issued by the PRC on the recycling and treatment of solid waste, the Company has formulated the technical standards and operating procedures in respect of harmless treatment and landfilling of inorganic waste, as well as resource recovery of kitchen waste for recycling, with a view to improving the treatment effect and reducing waste through active research and development of innovative technologies and techniques.</p> <p>In strict compliance with the technical parameters and standards issued by the PRC on wind turbine manufacturing, the Company has secured compliance with the requirements of national regulations in respect of the technical standards and equipment installation of wind turbines. The Company has also secured safe production by strictly implementing the systems and procedures, refining the safe production system, and carrying out investigation and rectification by levels on potential hazards in a strict manner.</p> <p>Adopt innovative processes, new environmentally friendly materials, and efficient equipment to optimise resource allocation and energy consumption.</p>

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

Report on Corporate Social Responsibility

In March 2025, the management of the Company submitted to the Board the Environmental, Social and Governance Report 2024, which focuses on the responsibility and practices of the Company in relation to environment, products, customers, employees, communities and other aspects. Details of the environment, society and corporate governance performance of the Group in 2024 are set out in the Environmental, Social and Governance Report 2024. The Environmental, Social and Governance Report 2024 can be accessed and downloaded on the websites of the SSE (<http://www.sse.com.cn>) (in Chinese), the HKEx (<http://www.hkexnews.hk>) (in both Chinese and English) and the Company's H-share market website (<https://expressway.aconnect.com.hk>). Through the report, investors can obtain more comprehensive and detailed information in relation to the performance of social responsibility of the Company.



REPORT OF THE DIRECTORS

Fixed Assets and Intangible Assets

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

Bank Loans and Other Borrowings

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

Subsidiaries and Joint Ventures

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

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

- (1) Information of the Management and changes in the Management during the Reporting Period are set out in "Directors, Supervisors, Senior Management and Employees" in this annual report.
- (2) Details of the remuneration received by the management during the Reporting Period are set out in "Directors, Supervisors, Senior Management and Employees" in this annual report and note XI\5 to the Financial Statements.
- (3) Service contracts:

Each of the Directors of the ninth session of the Board has entered into a director's service contract with the Company. Contents of such contracts are the same in all material respects. The service contract of former Non-executive Director Lü Da Wei was effective from 30 June 2022 to 31 December 2023, those of Independent Non-executive Directors Miao Jun and Xu Hua Xiang were effective from 17 May 2021 to 31 December 2023, and those of other Directors were effective from 1 January 2021 to 31 December 2023. Since the nomination of candidates for the new Board has not been completed, the term-end election of the Board will be postponed; before the completion of the term-end election of the Board, all members of the ninth session of the Board will continue to perform their duties and obligations in accordance with laws, regulations, the Articles of Association of the Company, etc. The Company has renewed the supplementary director service contracts with the Directors, which will expire upon expiry of the office term of the ninth session of the Board.

In addition, former Independent Non-executive Director Bai Hua and former Executive Director Wang Zeng Jin submitted written resignation reports to the Board of the Company on 22 December 2023 and 20 February 2024, respectively for personal work and job transfer reasons. The resignation reports of the two directors took effect on 20 February 2024. Former Non-executive Director Lǚ Da Wei, former Non-executive Director Li Xiao Yan, and former Non-executive Director Dai Jing Ming submitted written resignation reports to the Board of the Company on 19 December 2024, 9 January 2025, and 23 January 2025, respectively for personal work, job transfer and retirement reasons, respectively. The resignation reports of the three directors took effect immediately upon delivery to the Company. Through election at the general meeting held by the Company on 20 February 2024, Yao Hai was appointed as an Executive Director and Yan Yan as an Independent Non-executive Director, and their service contracts will expire upon expiry of the office term of the ninth session of the Board; through election at the general meeting held by the Company on 9 January 2025, Xu En Li, Wu Yan Ling, and Zhang Jian were appointed as directors, and their service contracts will be valid from 9 January 2025 until the expiry of the office term of the ninth session of the Board. Save as the aforesaid, no service contracts that can be terminated within one year with compensation (other than general statutory compensation) have been or proposed to be entered into between the Company and the Directors or the Supervisors.

(4) Interests in contracts:

As at the end of the Reporting Period or at any time during the Reporting Period, no contract of significance was entered into to which the Company or any of its subsidiaries was a party and in which a Director or Supervisor of the Company had a material interest, whether directly or indirectly, or had any significant conflict of interests, whether directly or indirectly, nor any of the aforesaid contracts still subsisted at the end of the Reporting Period or at any time during the Reporting Period (excluding service contracts).

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

(5) Loans provided to senior management:

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



REPORT OF THE DIRECTORS

(6) Rights to subscribe for shares or debentures:

As at 31 December 2024, the interests or short positions of the Directors, the Supervisors or the Chief Executive in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part 15 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) which were required to be entered into the register maintained by the Company under Section 352 of the Securities and Futures Ordinance (including interests and short positions deemed or taken to have under such provisions of the Securities and Futures Ordinance) or which were required to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (collectively, “interests of short positions”) were as follows:

Long positions in ordinary shares of Shenzhen International:

Name	Number of ordinary shares held as at 31 December 2024	Change during the Reporting Period	Approximate percentage of ordinary shares held in the issued share capital of the Company	Nature of interests	Capacity
Liao Xiang Wen ⁽⁴⁾	21,520	+1,227	0.001%	Family interests	Beneficial owner

Interests in share option of Shenzhen International:

Name	Options	Number of share options unexercised as at 31 December 2024 ⁽¹⁾⁽²⁾⁽³⁾	Change during the Reporting Period				Nature of interests	Capacity
			Adjustment during the Reporting Period	Granted during the Reporting Period	Exercised	Lapsed		
Liao Xiang Wen ⁽⁴⁾	Share option scheme 1 ⁽¹⁾	332,000	–	–	–	–	Family dependent	Beneficial owner
	Share option scheme 2 ⁽²⁾	249,000	–	–	–	–	Interests	
	Share option scheme 3 ⁽³⁾	249,000	–	–	–	–		

Note:

- (1) Share option scheme 1 was granted on 1 November 2023 and could be exercised during the period from 1 November 2025 to 31 October 2028 pursuant to the grant provision;
- (2) Share option scheme 2 was granted on 1 November 2023 and could be exercised during the period from 1 November 2026 to 31 October 2028 pursuant to the grant provision;
- (3) Share option scheme 3 was granted on 1 November 2023 and could be exercised during the period from 1 November 2027 to 31 October 2028 pursuant to the grant provision;
- (4) The interests are owned by the spouse of Liao Xiang Wen, a Director of the Company.

Saved as disclosed herein, as at 31 December 2024, none of the Directors, Supervisors or the Chief Executive had any interests or short positions defined above.

Stock Linkup Agreements

As of 31 December 2024, neither the Company nor any of its subsidiaries had entered into any stock linkup agreement.

Make-up Provisions Approved for the Directors and Supervisors

As of 31 December 2024, the Company had approved make-up provisions to provide certain protection for potential liabilities arising from legal proceedings potentially encountered by the directors, supervisors and senior management through the liability insurance covered for the directors, supervisors and senior management. For details, please refer to C.1 “Responsibilities of the Directors” of the “Corporate Governance Report” in this annual report.

Major Financing Matters

(1) Progress of Corporate Bond Issuance

The Company completed the issuance of the 2024 public offering of corporate bonds (phase I) totaling RMB1.5 billion on 27 May 2024. The first type of bonds in this issuance is abbreviated as “24 Shenzhen Expressway 01” with a bond code of “241018”, an issuance size of RMB550 million, a term of 3 years, and a coupon rate of 2.25%. The second type of bonds is abbreviated as “24 Shenzhen Expressway 02” with a bond code of “241019”, an issuance size of RMB950 million, a term of 10 years, and a coupon rate of 2.7%. Both have been listed on the Shanghai Stock Exchange. For details, please refer to the Company’s announcement dated 22 May 2024.

The Company completed the issuance of RMB1 billion 2024 public offering corporate bonds (phase II) on 2 December 2024. The bond abbreviation is “24 Shenzhen Expressway 03” and the bond code is “242050”. The issuance size is RMB1 billion, with a term of 5 years and a coupon rate of 2.2%. It has been listed on the Shanghai Stock Exchange. For details, please refer to the Company’s announcement dated 27 November 2024.

The Company completed the issuance of RMB2.3 billion 2025 public offering corporate bonds (phase I) on 12 March 2025. The bond abbreviation is “25 Shenzhen Expressway 01” and the bond code is “242539”, with a term of 5 years and a coupon rate of 2.29%. It has been listed on the Shanghai Stock Exchange. For details, please refer to the Company’s announcement dated 12 March 2025.

For details of the bonds issued by the Company during the Reporting Period, please refer to paragraph II “Issuing and Listing of Securities” in “Share Capital and Shareholders” in this annual report.

(2) Progress of Issuance of Ultra-short-term Financing Bonds

The Company issued Phase I of ultra-short-term financing bonds on 25 April 2024, with an issuance size of RMB1.5 billion, a maturity of 180 days and a coupon rate of 1.79%. This phase of ultra-short-term financing bonds expired in October 2024, and the Company repaid the corresponding principal with interests on the maturity date. For details, please refer to the Company’s announcements dated 19 January 2023 and 26 April 2024.

The Company issued Phases II and III of ultra-short-term financing bonds on 22 July 2024 and 28 October 2024, respectively, with an issuance size of RMB1.5 billion each, a maturity of 270 days and 80 days, respectively, and a coupon rate of 1.75% and 2.03%, respectively. For details, please refer to the Company’s announcements dated 19 January 2023, 23 July 2024 and 29 October 2024.



REPORT OF THE DIRECTORS

(3) Progress of Issuance of Medium-term Notes

The Company issued Phase I of medium-term notes on 17-18 October 2024, with an issuance size of RMB500 million, a maturity of 3 years and a coupon rate of 2.16%. For details, please refer to the Company's announcements dated 19 January 2023 and 21 October 2024.

The Company issued Phases I and II of medium-term notes on 8 January 2025. Phase I has an issuance size of RMB1 billion, a maturity of 3 years and a coupon rate of 1.7%. Phase II has an issuance size of RMB500 million, a maturity of 3 years and a coupon rate of 1.7%. For details, please refer to the Company's announcements dated 19 January 2023 and 6 January 2025.

(4) Proposed Issuance of A-shares to Specific Targets

Based on the Company's financial status and investment plan, the Company plans to issue not more than 654,231,097 A-shares (including this number) to not more than 35 specific targets (including 35) that comply with the regulations of the CSRC ("this issuance"), with a total amount of not more than 30% of the Company's total share capital before this issuance. According to the special authorisation approved by the shareholders, and through consideration by the Board, the total amount of funds raised has been adjusted to not more than RMB4.703 billion (including this number), and will be used for the investment and construction of the Outer Ring Project, the repayment of interest-bearing liabilities, etc. after the deduction of offering expenses. This issuance was considered and approved by the SSE in November 2024, and approved for registration by the CSRC in December 2024. The issue price for this issuance was determined in March 2025 at RMB13.17 per share, with approximately 357.08 million shares issued, raising total funds of approximately RMB4.703 billion (including issuance expenses). As at the date of this report, the raised funds have been received, the verification procedures have been completed, and the registration and custody procedures are in progress. For details, please refer to the Company's relevant announcements and disclosure documents dated 14 July and 20 September 2023, 25 January, 22 May, 26 July, 30 August, 20 September, 8 November and 13 December 2024, and 18 March 2025, the circular dated 24 August 2023, 23 August 2024, as well as the meeting documents for the first extraordinary general meeting in 2023, the first A-share class general meeting in 2023, the third extraordinary general meeting in 2024 and the first A-share class general meeting in 2024.

(5) Issuance of the E Fund Shenzhen Expressway REIT

The issuance of the E Fund Shen Expressway REIT was completed on 7 March 2024, with 300 million fund shares with a total amount of RMB2.0475 billion finally raised at an issuing price of RMB6.825 per share. Among them, the Company, as the original equity holder, participated in the strategic placement subscription with a quantity of 120 million shares, accounting for 40% of the total number of issued shares. The net proceeds from the fundraising, excluding the portion subscribed by the Company, amounted to approximately 1.23 billion (including issuance expenses). E Fund Shenzhen Expressway REITs were listed on the SSE on 29 March 2024, with the transaction code "508033" and the expanded abbreviation "E Fund Shenzhen Expressway REITs". The E Fund Shenzhen Expressway REIT is a real estate investment trust fund with Yichang Expressway and its ancillary facilities being the underlying infrastructure assets. For details, please refer to the relevant announcements of the Company dated 18 August and 17 November 2023, and 2 January, 31 January and 13 March 2024.

Related/Connected Transactions

On 11 January 2022, the Company completed the acquisition of 100% equity interests in SIICHIC through Mei Wah Company, and undertook the shortfall make-up obligation (if any) of SIHCL and SIICH (collectively, the “SIHCL Party”) in the withdrawal of the CMF Global Quantitative Stable Segregated Portfolio (“CMF Fund”) from its holding in Bay Area Development (a holding subsidiary in which SIICHIC holds 71.83% equity interests). The Company, Mei Wah Company, the SIHCL Party and the CMF Fund have signed a package renewal agreement for its delayed withdrawal on 16 January 2024. SIHCL is the indirect controlling shareholder of Shenzhen International. According to the listing rules and relevant guidelines of the SSE and the HKEx, the execution of the Package Renewal Agreement constitutes a connected transaction of the Company. The Company held the 39th meeting of the ninth session of the Board on 15 January 2024, considering and approving the relevant proposals. For details, please refer to the Company’s announcement dated 16 January 2024.

The effective period of the general meeting resolution and authorisation for the issuance of A-shares to specific targets by the Company is 12 months from the date of approval of the relevant proposal by the general meeting (20 September 2023). In order to ensure the continuity of relevant work, the general meeting and class general meetings of the Company have considered and approved the extension of the effective period of the above resolution and authorisation for 12 months from 20 September 2024 (“this extension”). XTC Company, a subsidiary of Shenzhen International, the controlling shareholder of the Company, plans to subscribe for some A-shares offered this time. According to the listing rules and relevant guidelines of the SSE and HKEx, XTC Company is a related/connected person of the Company, and this transaction constitutes a related/connected transaction of the Company. For details, please refer to the Company’s relevant announcements and disclosure documents dated 26 July and 20 September 2024, the circular dated 23 August 2024, as well as the meeting documents for the third extraordinary general meeting in 2024 and the first A-share class general meeting in 2024.

Further Disclosure Made Pursuant to the Listing Rules of the HKEx

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

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

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



REPORT OF THE DIRECTORS

Major Investment and Transaction Matters

On 22 May 2024, with the approval of the Board, the Company considered and passed the investment plan for the reconstruction and expansion project of the He'ao-Shenzhen Airport section of Shenyang-Haikou National Expressway ("Jihe Expressway"). The Jihe Expressway reconstruction and expansion project has a construction period of 5 years, a total length of approximately 41.4 kilometres and a design speed of 100 kilometres per hour, and will be implemented in the three-dimensional multiplex corridor mode. The project will consist of a ground level and a three-dimensional level, both constructed according to the standard for two-way eight-lane expressways. The Company plans to invest approximately RMB19.23 billion in the project, and will serve as the project's legal representative responsible for its construction management; all road assets formed by the project will be owned by the government. The above investment plan was approved by the general meeting of the Company held on 11 June 2024. As at the date of this report, the construction contracts for contract sections 1-6 of the project were entered into through public bidding on 26 July 2024, with contract amounts of RMB3.019 billion, RMB2.969 billion, RMB2.759 billion, RMB2.76 billion, RMB3.178 billion, and RMB3.472 billion, respectively (including government investment). The execution of the construction contracts for contract sections 1, 5 and 6 constitutes a major transaction of the Company under the Listing Rules of the HKEx, and was approved by the third extraordinary general meeting of the Company in 2024. For details, please refer to the Company's announcements and disclosure documents dated 22 May, 27 May, 12 June, 26 July, 23 August and 20 September 2024, as well as the circulars dated 27 May and 23 August 2024.

On 26 April 2024, with the approval of the Board, the Company considered and passed the proposal to increase the capital of its wholly-owned subsidiary in exchange for MA financing. The Company injected capital into Mei Wah Company with its own funds and RMB loans for not more than HKD10.479 billion (or an equivalent in any other currency), and then Mei Wah Company injected capital of not more than HKD7.661 billion (or an equivalent in any other currency) into its wholly-owned subsidiary SIICHIC ("this capital injection"). All capital increase funds received by SIICHIC will be used to repay the principal of and interests on the shareholder loans payable to Mei Wah Company. After paying the capital increase in SIICHIC, and recovering the principal of and interests on the shareholder loans of SIICHIC, Mei Wah Company will use the capital increase funds to repay its existing foreign currency bank loans mainly. For details, please refer to the Company's announcement dated 26 April 2024. During the Reporting Period, the Group has increased capital by HKD10.175 billion to Mei Wah Company and has repaid foreign currency bank loans amounting to HKD10.174 billion.

On 14 July 2023, the Board of the Company considered and approved the investment plan for the Kengzi-Dapeng subsection of approximately 16.8 kilometres of the Outer Ring Project ("Outer Ring Phase III"), with an estimated total investment of RMB8.447 billion. As at the date of this report, Outer Ring Company entered into construction contracts on 7 November 2023, 25 January 2024, and 12 March 2024, respectively through public bidding, with contract amounts of RMB875 million, RMB841 million, RMB885 million, RMB607 million, RMB741 million, and RMB735 million, respectively. During the Reporting Period, the construction of the Outer Ring Phase III has commenced along the entire line. As at the end of the Reporting Period, approximately 14.3% of the physical progress of the project has been completed. For details of the Outer Ring Project, please refer to the Company's announcements dated 14 July and 17 November 2023, and 25 January and 12 March 2024.

External Guarantees

Unit: RMB million unless otherwise specified

External guarantees of the Company (excluding guarantees for subsidiaries)										
Name of the guarantor	Name of the guaranteed	Amount of guarantee	Date of occurrence (date of the agreement)	Commencement of guarantee	Expiry of guarantee	Type of guarantee	Completed or not	Overdue or not	Counter guarantee provided or not	Guarantee for related party or not
Guizhou Property ⁽¹⁾	Customers of Shenzhen Expressway – Interlaken Town	354.65	2016-01 – 2024-12	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										-37.69
Total balance of guarantees as at the end of the Reporting Period (A)										354.65
Guarantees for subsidiaries of the Company										
Total amount of guarantees for subsidiaries incurred during the Reporting Period										3.04
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)										4,507.76
Total amount of guarantees of the Company (including guarantees for subsidiaries)										
Total amount of guarantees (A + B)										4,862.42
Proportion of total amount of guarantees to the net assets of the Company (%)										22.20
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)										2,489.43
Amount of the guarantees that exceed 50% of net assets in aggregate (E)										-
Total amount of the above three guarantees (C+D+E)										2,489.43
Description on unexpired guarantees that may be confronted with joint and several liability								Please refer to the description below		



REPORT OF THE DIRECTORS

Description on guarantees:

- (1) The provision of interim joint and several liability guarantees by Guizhou Property, a controlling subsidiary of the Company, to eligible mortgage customers of the “Shenzhen Expressway – Interlaken Town” (now renamed as “Shenzhen Expressway – Youshan Villa”) project in accordance with the business practices of the real estate industry was considered and passed 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 total amount of guarantees is expected not to exceed RMB1 billion. During the Reporting Period, Guizhou Property provided an interim guarantee for 21 customers with an aggregate amount of RMB9.28 million, and the interim guarantee with an amount of RMB46.97 million provided in the past was released. As at the end of the Reporting Period, the balance amount of the guarantees actually provided by Guizhou Property was RMB354.65 million.
- (2) The Company has not provided any external guarantee in violation of the stipulated decision-making procedures.

Guarantee Authorisation and Guarantees for Subsidiaries of the Company

(1) Guarantee Authorisation

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

The 2022 annual general meeting held on 16 May 2023 considered and approved the proposal on the authorisation of the guarantees. The Board of the Company may provide guarantees for wholly-owned subsidiaries of not more than RMB2.5 billion in aggregate (not more than RMB600 million for wholly-owned subsidiaries with an asset-liability ratio of over 70%), and not more than RMB7 billion in aggregate for non-wholly-owned subsidiaries (not more than RMB4.8 billion for wholly-owned subsidiaries with an asset-liability ratio of over 70%), as necessary. These guarantees include guarantees for financing and bankers’ letters of guarantee. The guarantee authorisation is effective from the date of approval by the general meeting to the date of convening of the 2023 annual general meeting.

The 2023 annual general meeting held on 25 June 2024 considered and approved the proposal on the authorisation of the guarantees. The Board of the Company may provide guarantees for wholly-owned subsidiaries of not more than RMB1.7 billion in aggregate (not more than RMB500 million for wholly-owned subsidiaries with an asset-liability ratio of over 70%), and not more than RMB5.5 billion in aggregate for non-wholly-owned subsidiaries (not more than RMB4.1 billion for wholly-owned subsidiaries with an asset-liability ratio of over 70%), as necessary. These guarantees include guarantees for financing and bankers’ letters of guarantee. The guarantee authorisation is effective from the date of approval by the general meeting to the date of convening of the 2024 annual general meeting.

(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: Million Currency: RMB

External guarantees of the Company (guarantees for subsidiaries)										
Name of the guarantor	Name of the guaranteed	Maximum amount of guarantees	Actual balance of guarantees	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	Fuzhou Bioland	60	52	2021/9/15	2021/9/15	2 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Guilin Bioland	100	81	2021/12/24	2021/12/24	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Beihai Zhonglan ^{Note 1}	66.8	58	2021/12/29	2021/12/29	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Zhuji Bioland ^{Note 1}	130	30.04	2021/12/29	2021/12/29	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bay Area Development	Shenzhen Bay infrastructure	1,798	1,600	2022/11/8	2022/11/8	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Guilin Bioland	40	33.83	2023/1/6	2023/1/6	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Investment Company	Shengao Lekang	36.26	24.40	2023/5/11	2023/5/11	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Handan Bioland	98	89	2023/5/12	2023/5/12	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Huangshi Bioland	42	38.85	2023/6/29	2023/6/29	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Sichuan Lansheng ^{Note 2}	101.48	86.77	2023/8/25	2023/8/25	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Guangxi Bioland	40	40	2024/6/7	2024/6/7	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Guangxi Bioland	380	279.07	2024/6/7	2024/6/7	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bay Area Development	SIHCL Bay Area Finance Limited	1,111.25	1,027.90	2024/6/24	2024/6/24	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Bioland	Taizhou Bioland	130	20	2024/8/30	2024/8/30	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Guiyang Bioland	65	0	2024/11/22	2024/11/22	3 years after the expiry date of the debt performance period	Joint and several liability guarantee	No	No	No
Bioland	Various project subsidiaries in which the Company invested prior to its acquisition of Bioland ^{Note 3}	19	19	2015/11/24 – 2018/9/26	2015/11/24	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Bay Area Development	SIH Bay Area Finance Limited ^{Note 4}	1,964.13	1,027.90	2020/3/2 – 2020/7/14	2020/3/2	Upon expiration of the debt performance period, as required in the agreement	Joint and several liability guarantee	No	No	No
Total	/	/	4,507.76	/	/	/	/	/	/	/

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As at the end of the Reporting Period, based on the financing amount of holding subsidiaries, the total amount of guarantees actually provided by the Company to its holding subsidiaries was RMB4,507,763,500, including the balance of guarantees provided by Bioland prior to its acquisition by the Company, amounting to RMB19 million (all being guarantees provided by Bioland to its holding subsidiaries), and the balance of guarantees provided by Bay Area Development prior to its acquisition by Company, equivalent to RMB1,027,904,400. There is no overdue guarantee in the above guarantees. For details, 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, and 7 June, 24 June, 30 August and 22 November 2024.

Note 1: The proposal for Bioland to provide guarantees for the financing of its subsidiaries Beihai Zhonglan and Zhuji Bioland was considered and passed at the 15th meeting of the 9th session of the Board held on 22 December 2021. For details, please refer to the Company's announcements dated 22 and 30 December 2021.

Note 2: The proposal for Bioland to provide a guarantee for the financing of its subsidiary Sichuan Lansheng was considered and passed at the 33rd meeting of the 9th session of the Board held on 31 July 2023. For details, please refer to the Company's announcements dated 31 July and 25 August 2023.

Note 3: The external guarantees provided by Bioland before its acquisition by the Company are all guarantees provided by Bioland for its subsidiaries.

Note 4: Guarantees provided by Bay Area Development for its controlling subsidiaries before its acquisition by the Company.

Mortgage and Pledge of Assets

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

Entrusted Wealth Management

Unit: yuan Currency: RMB

Partner name	Type of entrusted wealth management product	Amount of entrusted wealth management	Commencement date	Maturity date	Source of funds	Is there any restriction?	Method for determining revenue	Annualised rate of return (%)	Actual revenue	Actual recovery of principal amount	Outstanding amount	Overdue amount uncovered	Whether statutory procedures have been performed?	Is there any future entrusted wealth management plan?	Provision for impairment
Chinese Mercantile Bank Head Office Banking Department	Principal-guaranteed floating income type	160,000,000	2023-12-14	2024-3-13	Owned fund	No	Interest payment at maturity	3.02	1,191,452.05	160,000,000	0	0	Yes	-	-
China Construction Bank Corporation Limited Shenzhen Central District Sub-branch	Principal-guaranteed floating income type	160,000,000	2023-12-19	2024-2-27	Owned fund	No	Interest payment at maturity	2.80	859,178.08	160,000,000	0	0	Yes	-	-
Industrial Bank Co., Ltd. Shenzhen Branch	Principal-guaranteed floating income type	150,000,000	2024-3-21	2024-4-30	Owned fund	No	Interest payment at maturity	2.56	420,821.92	150,000,000	0	0	Yes	-	-
Chinese Mercantile Bank Head Office Banking Department	Principal-guaranteed floating income type	100,000,000	2024-4-30	2024-7-29	Owned fund	No	Interest payment at maturity	2.65	653,424.66	100,000,000	0	0	Yes	-	-
Chinese Mercantile Bank Head Office Banking Department	Principal-guaranteed floating income type	50,000,000	2024-8-1	2024-11-1	Owned fund	No	Interest payment at maturity	2.61	328,931.51	50,000,000	0	0	Yes	-	-
Chinese Mercantile Bank Head Office Banking Department	Principal-guaranteed floating income type	50,000,000	2024-8-1	2024-12-2	Owned fund	No	Interest payment at maturity	2.61	439,767.12	50,000,000	0	0	Yes	-	-
China Merchants Bank Co., Ltd. Shenzhen Branch	Principal-guaranteed floating income type	1,000,000,000	2024-4-3	2024-4-28	Owned fund	No	Interest payment at maturity	2.61	1,787,671.23	1,000,000,000	0	0	Yes	-	-
Total	/	1,670,000,000	/	/	/	/	/	/	5,681,246.58	1,670,000,000	0	0	/	/	0

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Description of entrusted wealth management:

As approved by the Board of the Company, provided that the safety and liquidity of its capital reserves are ensured, the Group invests part of its capital reserves in wealth management products issued by banks. During the Reporting Period, five new transactions of principal-guaranteed floating income wealth management products were newly incurred by the Group, with an entrusted wealth management amount of RMB1.35 billion. As at the end of the Reporting Period, the capital balance of the Group's wealth management products was RMB0, with income on entrusted wealth management of RMB5,681,246.58 (tax included) received during the Reporting Period, and there was no outstanding principal or income.

Other Agreements and Matters

Except as disclosed in this Report, the Company did not enter into any contract in respect of the management or administration of its overall businesses 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, matter which the media generally questioned, or bankruptcy and reorganisation in connection with the Company, nor was any share option incentive scheme implemented. In addition, there was no such prior matter subsisting during the Reporting Period. As at the end of the Reporting Period, the Group was involved in several lawsuits and arbitrations, which would not have any significant impact on the Group's daily operations. As at the date of this report, the major outstanding and concluded lawsuits and arbitrations during the Reporting Period were as follows:

Unit: '000 Currency: RMB

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) result in any estimated liability and its amount	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Nanjing Wind Power	CRRC Wind Power (Shandong) Co., Ltd.	—	Arbitration	Dispute over purchase contract	101,080.7 (Counterclaim for 30,000)	Yes. A payable penalty of RMB30,000,000 was confirmed (already paid).	The arbitration request withdrawal application was rejected, and the case was concluded.	On 16 June 2023, a final ruling was received from the Jinan Arbitration Commission: (1) CRRC Wind Power (Shandong) Co., Ltd. shall pay RMB99,991,400 to Nanjing Wind Power; (2) Nanjing Wind Power shall pay a penalty of RMB30,000,000 for delayed supply to CRRC Wind Power (Shandong) Co., Ltd. On 4 August 2023, Nanjing Wind Power submitted an arbitration withdrawal application. On 30 October 2024, a ruling on the arbitration request withdrawal application of Nanjing Wind Power's arbitration was received from the court.	Enforcement completed
Yonker Environmental Protection Co., Ltd.	Guangxi Bioland, Bioland	—	Litigation	Construction contract disputes of construction projects	51,757.8 (Counterclaim for 50,000)	Yes. Payable project funds with interests of RMB21,758,000 were confirmed (already paid).	Concluded	On 14 December 2022, the first instance judgment was as follows: (1) Guangxi Bioland shall pay Yonker Environmental Protection a project payment of RMB19,585,470 with interests; (2) Yonker Environmental Protection shall pay the losses of RMB1.5 million arising from the delay in construction progress to Guangxi Bioland. On 29 March 2024, the second instance judgment was received. The appeal request of Guangxi Bioland and Yonker Environmental was rejected, and the original judgment was affirmed.	Enforcement completed
Xinqing Environmental Technology (Lianyungang) Co., Ltd.	Nanjing Wind Power	—	Litigation	Contract disputes	150,743.2 (Counterclaim for 52,426.93)	Yes. A total amount of payable goods losses, demurrage fees, raw material losses, and expected profit losses of RMB53,210,000 was confirmed (already paid).	Second instance judgment was given and execution was underway.	The judgment of the first instance was given on 31 August 2023: (1) The remaining part of the contract between both parties shall be terminated; (2) Nanjing Wind Power shall pay RMB3,917,840 to Xinqing Environmental. Xinqing Environmental shall issue a bank quality guarantee, etc. On 5 November 2024, the second instance judgment was received. The appeal was rejected and the original judgment was affirmed.	This lawsuit has been executed, and the counterclaim is being executed.



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Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) result in any estimated liability and its amount	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Environmental Company	Zhu Sheng Li	—	Litigation	Disputes over equity transfer	—	No	The lawsuit was withdrawn and the case was concluded.	In December 2023, the defendant was requested to transfer 1.96% equity interests in Nanjing Wind Power held by him to the plaintiff without compensation. The defendant has transferred the equity to the plaintiff without compensation, and the business change has been completed. Environmental Company submitted a case withdrawal application in November 2024, and received the court ruling allowing the withdrawal in the same month.	The lawsuit has been withdrawn without execution.
Environmental Company	Shi Junying, Shi Junhua, Zhengzhou Cida Environmental Technology Co., Ltd., Beijing Shuiqi Lande Technology Co., Ltd.	—	Arbitration	The promised performance was not achieved and the respondent was required to pay the performance compensation.	344,334.1	No	In arbitration	In July 2023, Environmental Company requested the judgment that the respondents including Shi Junying transfer 19,534,720 shares in Bioland to Environmental Company free of charge according to the agreement (calculated at RMB5.06 per share), and pay the compensation for losses of RMB71.15642 million. In November 2024, Environmental Company applied for changing its original arbitration request, requesting that the respondent transfer 19,534,720 shares in Bioland Company to Environmental Company without compensation and pay a loss compensation amount of RMB244,638,390.	In arbitration
Guizhou Xinhe Lifu Real Estate Development Co., Ltd.	Guizhou Land, Guishen Development Company	—	Arbitration	Equity and debt transfer contract disputes	486,046.3	No	The arbitration was withdrawn and the case was concluded.	On 12 November 2024, the Shenzhen Court of International Arbitration decided to withdraw this case for the arbitration request withdrawal application of the applicant Guizhou Xinhe Lifu.	The lawsuit has been withdrawn without execution.
POWERCHINA Jiangxi Electric Power Construction Co., Ltd.	Nanjing Wind Power	—	Litigation	Contract disputes	163,974.9 (counterclaim for 91.3)	No	In first instance	In October 2023, PowerChina Jiangxi requested the judgment that Nanjing Wind Power should bear electricity tariff losses, equipment maintenance and replacement costs, a penalty for delayed delivery, etc. totalling approximately RMB109.1001 million arising from delayed delivery, supply quality and other issues. In March 2024, Nanjing Wind Power submitted a counterclaim and evidentiary materials, requesting PowerChina Jiangxi to pay equipment installation and commissioning fees, unloading delay fees, etc. totalling approximately RMB91,300 to Nanjing Wind Power. In January 2025, Nanjing Wind Power received an application for a change of litigation request from PowerChina Jiangxi, changing the amount to RMB163.9749 million.	In first instance

Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) result in any estimated liability and its amount	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Beijing Shuiqi Lande Technology Co., Ltd., Shi Junying, Shi Junhua, Zhengzhou Cida Environmental Technology Co., Ltd.	Environmental Company	—	Arbitration	Disputes over equity transfer	129,727.2	No	In arbitration	In October 2023, applicants included Waterland requested the ruling that: (1) The proportion of its performance compensation liability should be to 1%; (2) Environmental Company should return the 22.64 million shares already compensated for (with a value of RMB5.73 per share) or equivalent cash.	In arbitration
Financial Leasing Company	Xuchang Xurui Wind Power Generation Co., Ltd., Shenzhen Zhongzhuang New Energy Technology Co., Ltd., Henan Xuxin Wind Power Co., Ltd., Shenzhen Zhongzhuang Construction Group Co., Ltd., Shenzhen Zhongzhuang Municipal Landscape Engineering Co., Ltd.	—	Arbitration	Contract disputes	129,567	No	Arbitration concluded	On 27 February 2024, Financial Leasing Company requested the judgment that the respondents including Xuchang Xurui should repay the remaining principal on the financial lease, overdue interests, liquidated damages, etc., totalling approximately RMB129.567 million. On 24 January 2025, Financial Leasing Company received the arbitration award, requiring the respondent to pay the applicant the total amount of RMB121.5202 million for principal rent, overdue interest, attorney fees, and preservation guarantee fees.	Arbitration concluded
Nanjing Wind Power	Lianyungang Zhongfu Lianzhong Composites Group Co., Ltd.	—	Litigation	Contract disputes	124,923.5	No	In first instance	On 16 August 2024, Nanjing Wind Power requested the judgment that Lianyungang Zhongfu should bear the liability for breach of the sales contract, and pay liquidated damages and all losses totalling approximately RMB124,923,500.	In first instance
Nanjing Wind Power	Huai'an Zhongheng New Energy Co., Ltd.	—	Litigation	Debt dispute	106,000.2 (counterclaim for 124,244.8)	No	In first instance	On 16 August 2024, Nanjing Wind Power requested the judgment that Huai'an Zhongheng should pay arrears, interests, etc. totalling approximately RMB106,000,200. On 5 December 2024, Huai'an Zhongheng New Energy filed a counterclaim requesting Nanjing Wind Power to pay project reconstruction and repair costs, project quality problem costs, compensation for power generation losses, etc. totalling approximately RMB124,244,800.	In first instance



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Plaintiff (applicant)	Defendant (respondent)	Party with joint and several liability	Type of litigation (arbitration)	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration)	Does the litigation (arbitration) result in any estimated liability and its amount	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Nanjing Wind Power	Shenzhen Zhongzhuang New Energy Technology Co., Ltd.	—	Litigation	Contract disputes	62,521.5	No	In first instance	On 15 August 2024, Nanjing Wind Power requested a judgment that Zhongzhuang New Energy pay a total of approximately RMB62,521,500 for the remaining payment and overdue payment penalty.	In first instance
Infrastructure and Environmental Protection Company	Shenzhen Qiantai Energy Renewable Technology Co., Ltd.	—	Litigation	Disputes over equity transfer	—	No	In first instance	On 26 September 2024, Infrastructure and Environmental Protection Company requested the judgment that Shenzhen Qiantai Energy Renewable Technology Co., Ltd. transfer 8.02% equity interests held by it in Shenzhen Shenshan Special Cooperation Zone Qiantai Technology Co., Ltd. without compensation, and handle the business registration change procedure for the above equity.	In first instance
CRCC China Southern Railway Construction Investment Co., Ltd.	Fund Company	—	Arbitration	Partnership agreement dispute	152,590.3	No	The case has been filed.	On 9 October 2024, Fund Company received an arbitration notice from CRCC China Southern Railway Construction Investment Co., Ltd. regarding the withdrawal from the infrastructure fund.	The case has been filed.
Juye Changguang Wind Energy Co., Ltd.	Nanjing Wind Power and Environmental Company	—	Litigation	Contract disputes	96,140	No	The case has been filed.	On 15 January 2025, Nanjing Wind Power received a civil complaint from Juye Changguang Wind Energy Co., Ltd. regarding losses suffered due to delayed delivery.	The case has been filed.

Commitments

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings made in Acquisition Report or Report on the Changes in Equity Interests	Other	Shenzhen International/ Shenzhen International(Shenzhen)	For details of the undertakings to avoid peer competition and regulate connected transactions, please refer to Detailed Report on the Changes in Equity Interests (《詳式權益變動報告書》) published on 18 October 2007 in the securities market of the PRC by undertaking parties or relevant contents in the Annual Report 2007 of the Company	October 2007	No	Yes
	Other	Shenzhen International	<p>1. It will continue to fulfil the above undertaking made in October 2007 to avoid peer competition and regulate connected transactions.</p> <p>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.</p> <p>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.</p>	December 2010	No	Yes
	Other	SIHCL	<p>To avoid peer competition, SIHCL has made the following undertakings:</p> <p>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.</p> <p>2. Unless with the approval the Board of the Company and the written consent of the Independent Directors of the Company, SIHCL will not engage directly or indirectly in any business constituting peer competition with the Company's main businesses solely or together with any other person or company, unless otherwise agreed upon between both parties.</p> <p>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.</p>	December 2010	No	Yes



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

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



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Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings related to refinancing	Other	XTC Company	<p>The share subscription agreement with conditions precedent entered into between XTC Company and the Company specifies that:</p> <p>The target shares acquired by XTC Company and offered this time shall not be transferred within 18 months from the end of this offering, and the regulations of the CSRC and the SSE shall apply thereafter. If there are other provisions in the relevant regulations and normative documents regarding the trading restriction period of offering shares to specific targets, such provisions will apply. From the date of completion of this issuance 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 Company in this issuance arising from the Company's bonus shares, capital reserve conversion into the share capital, etc. should also comply with the above lock-up arrangements.</p> <p>XTC Company promises as follows:</p> <p>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 issuance to 18 months after the completion of this issuance. 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.</p>	July 2023	Yes	Yes
			<p>XTC Company will subscribe for not less than 10% of the shares actually issued by Shenzhen Expressway under this issuance for an amount of not more than RMB1.51 billion. After this issuance, 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.</p>	July 2024	Yes	Yes
Undertakings related to refinancing ^{Note}	Other	SGH Company/ Jintai Company	<p>SGH Company and Jintai Company make a further share lock-up commitment regarding this issuance:</p> <p>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 issuance to 18 months after the completion of this issuance. 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.</p>	July 2024	Yes	Yes

Background of undertaking	Type of undertaking	Undertaking party	Undertaking details	Time and duration of undertaking	Term of fulfilment or not	Whether fulfilled timely and strictly or not
Undertakings related to refinancing ^{Note}	Other	Directors and senior management of the Company	<p>have made the following commitments regarding the make-up measures for the diluted immediate return of this issuance:</p> <ol style="list-style-type: none"> 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 link up the remuneration system formulated by the Board or the Remuneration Committee with the implementation of the Company's make-up measures for the diluted immediate return; 5. If the Company implements an equity incentive plan in the future, we promise to support the linkup of the exercise conditions of the proposed corporate equity incentive plan with the implementation of the Company's make-up measures for the diluted immediate return; 6. Before the completion of this offering, if the CSRC or the SSE promulgates other new regulatory provisions on return make-up measures, and related commitments, and the above commitments do not meet these provisions, we will make supplementary commitments in accordance with the prevailing provisions of the CSRC or the SSE; 7. We promise to implement the make-up measures for the diluted immediate return formulated by the Company and any commitment on the return make-up measures for the diluted immediate return practically. If we break or refuse to fulfil the above commitments, and cause losses to the Company or the shareholders, we are willing to bear the corresponding liability according to law. 	July 2023, January 2024 and August 2024	No	Yes

Note: On 14 July 2023, with the approval of the 32nd meeting of the 9th session of the Board, the Company planned to offer A-shares to eligible specific targets. The directors and senior management of Shenzhen International, the controlling shareholder of the Company, and the Company made written commitments regarding the relevant matters according to the requirements of the General Office of the State Council and the CSRC. On 25 January and 30 August 2024, through consideration by the Board of the Company, respectively, the Company adjusted the total raised capital of this offering and its use, respectively, and revised the offering 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 again.



REPORT OF THE DIRECTORS

Appointment of Auditor for the Year

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

Review of Results

The Audit Committee of the Company has reviewed and confirmed the financial statements and the annual report for the twelve months ended 31 December 2024. For details, please refer to “Corporate Governance Report” in this annual report.

Sufficient Public Shareholdings

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

Compliance with Laws and Regulations

The Group’s businesses are mainly carried out by the Company and its subsidiaries in the PRC. Our operations accordingly shall mainly comply with the relevant laws and regulations in the PRC. During the Reporting Period, the Group did not breach the relevant laws and regulations that exerted a significant impact on the Group.

Names of Directors

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

By Order of the Board
Xu En Li
Chairman

Shenzhen, the PRC, 21 March 2025

SHARE CAPITAL AND SHAREHOLDERS

I. Profile of Movements of Share Capital

During the Reporting Period, there was no change in the Company's total number of shares or share structure.

As of the end of this reporting period, the Company has issued 2,180,770,326 ordinary shares, of which 1,433,270,326 A Shares are listed on SSE and 747,500,000 H Shares are listed on HKEx, representing 65.72% and 34.28% of the total share capital of the Company respectively.

Pursuant to the "Approval regarding the Registration of Issuance of Shares to Specific Targets by Shenzhen Expressway Corporation Limited" (《關於同意深圳高速公路集團股份有限公司向特定對象發行股票註冊的批復》) (CSRC License [2024] No. 1748) and the "Notice on the Review Opinions Regarding the Issuance of Shares by Shenzhen Expressway Corporation Limited to Specific Targets" (《關於深圳高速公路集團股份有限公司向特定對象發行股票審核意見的通知》) issued by the Shanghai Stock Exchange, the Company has completed the issuance of A-shares to specific targets (the "Issuance") on 6 March 2025, at a price of RMB13.17 per share, with a total of 357,085,801 A-shares issued, raising a total amount of RMB4.703 billion (including issuance expenses). After the completion of the Issuance, the total number of ordinary shares issued by the Company is 2,537,856,127, including 1,790,356,127 A-shares and 747,500,000 H-shares.

II. Issuing and Listing of the Securities

1. During the Reporting Period, there is no issuing or listing of the stock or derivative securities by the Company.

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

As at the end of the Reporting Period, the circulating market capitalisation of the A Shares of the Company (circulating A Share capital × closing price of A Shares (RMB13.48)) was RMB19.320 billion and the circulating market capitalisation of H Shares (circulating H Share capital × closing price of H Shares (HK\$7.32)) was HK\$5.472 billion.

2. The Company has completed the issuance of RMB1.2 billion 2021 publicly issued green corporate bonds (phase I) (bond abbreviation "G21 Shenzhen Expressway 1", bond code "175979") on 19 April 2021. The bonds have a term of 5 years with an issuer's option to adjust the coupon rate and the an investor's option to sell back at the end of the third year. The bonds were registered for sell-back on March 2024, and pursuant to the results of sell-back registration, the Company has paid the full remaining principal amount of the bonds and the corresponding interest on 19 April 2024. The bonds have been delisted early from the SSE on 6 May 2024.
3. The Company issued overseas debenture of US\$300 million at fixed interest rate with a maturity of 5 years in July 2021 publicly. The bond abbreviation is "SZEXP B2607" and bond code is "40752", which has been listed on HKEx since 8 July 2021.
4. The Company has completed the issuance of phase I of the 2021 publicly issued corporate bonds of RMB1 billion with a term of 5 years on 27 July 2021. The bond abbreviation is "21 Shenzhen Expressway 01" and the bond code is "188451", which has been listed on SSE.



SHARE CAPITAL AND SHAREHOLDERS

5. The Company has completed the issuance of phase I of the 2022 publicly issued corporate bonds of RMB1.5 billion with a term of 5 years on 19 January 2022. The bond abbreviation is “22 Shenzhen Expressway 01” and bond code is “185300”, which has been listed on SSE.
6. The Company has completed the issuance of phase I of the 2023 publicly issued green corporate bonds of RMB0.55 billion with a term of 3 years on 18 October 2023. The bond abbreviation is “G23 Shenzhen Expressway 1” and bond code is “240067”, which has been listed on SSE.
7. The Company has completed the issuance of RMB1.5 billion of the 2024 publicly issued corporate bonds (phase I) on 27 May 2024. The first type of bonds in this tranche is abbreviated as “24 Shenzhen Expressway 01” with the bond code “241018”, having an issue size of RMB0.55 billion and a term of 3 years; the second type of bonds in this tranche is abbreviated as “24 Shenzhen Expressway 02” with the bond code “241019”, having an issue size of RMB0.95 billion and a term of 10 years, both of which have been listed on SSE.
8. The Company has completed the issuance of phase II of the 2024 publicly issued corporate bonds of RMB1 billion with a term of 5 years on 2 December 2024. The bond abbreviation is “24 Shenzhen Expressway 03” and bond code is “242050”, which has been listed on SSE.

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

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

1. Total Number of Shareholders:

Total number of shareholders as at the end of the Reporting Period	16,781
Total number of shareholders as at the end of the last month prior to the Reporting Date	16,708

Note:

- (1) The Company had 16,540 holders of A Shares and 241 holders of H Shares as at the end of the Reporting Period.
- (2) The Company had 16,468 holders of A Shares and 240 holders of H Shares as at the end of the last month prior to the Reporting Date.

2. Information of the Top Ten Shareholders and the Top Ten Holders of Non-restricted Circulating Shares of the Company as at the end of the Reporting Period

The top ten shareholders							
Name of shareholder	Changes during the Reporting Period	Number of shares held	Percentage	Number of restricted circulating shares held	Number of shares pledged or frozen		Nature of shareholders
					State of shares	Number	
HKSCC NOMINEES LIMITED ⁽¹⁾	+187,840	729,979,242	33.47%	–	Unknown		Overseas legal person
Xin Tong Chan Development (Shenzhen) Company Limited	–	654,780,000	30.03%	–	None	0	State-owned legal person
Shenzhen Shen Guang Hui Highway Development Company Limited	–	411,459,887	18.87%	–	None	0	State-owned legal person
China Merchants Expressway Network & Technology Holdings Company Limited	–	91,092,743	4.18%	–	None	0	State-owned legal person
Guangdong Roads and Bridges Construction Development Company Limited	–	61,948,790	2.84%	–	None	0	State-owned legal person
China Merchants Bank-SSE Dividend Trading Open Index Securities Investment Fund	-624,838	31,270,958	1.43%	–	Unknown		Domestic non-state-owned legal person
AU SIU KWOK	–	11,000,000	0.50%	–	Unknown		Overseas natural person
Hong Kong Securities Clearing Company Limited	-9,405,561	8,373,127	0.38%	–	Unknown		Other
Zhang Ping Ying	–	7,738,565	0.35%	–	Unknown		Domestic natural person
Bank of Communications Co., Ltd. – Invesco Great Wall CSI Dividend Low Volatility 100 Exchange Traded Open-ended Index Securities Investment Fund	+6,972,643	6,972,643	0.32%	–	Unknown		Domestic non-state-owned legal person



SHARE CAPITAL AND SHAREHOLDERS

The top ten holders of non-restricted circulating shares		
Name of shareholder	Number of non-restricted circulating shares held	Type of shares
HKSCC NOMINEES LIMITED ⁽¹⁾	729,979,242	H share
Xin Tong Chan Development (Shenzhen) Company Limited	654,780,000	A share
Shenzhen Shen Guang Hui Highway Development Company Limited	411,459,887	A share
China Merchants Expressway Network & Technology Holdings Company Limited	91,092,743	A share
Guangdong Roads and Bridges Construction Development Company Limited	61,948,790	A share
China Merchants Bank-SSE Dividend Trading Open Index Securities Investment Fund	31,270,958	A share
AU SIU KWOK	11,000,000	H share
Hong Kong Securities Clearing Company Limited	8,373,127	A share
Zhang Ping Ying	7,738,565	A share
Bank of Communications Co., Ltd. – Invesco Great Wall CSI Dividend Low Volatility 100 Exchange Traded Open-ended Index Securities Investment Fund	6,972,643	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. In addition to the above associations, there is no connected relationship among the state-owned shareholders in the above table. The Company did not notice any connected relationship among the other abovementioned shareholders or any connected relationship among the abovementioned state-owned shareholders and other shareholders.	

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

3. Disclosure of Interests of Shareholders Pursuant to the Listing Rules of HKEx

As at 31 December 2024, the interests or short positions of shareholders, other than a Director, Supervisor or senior management of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), were as follows:

A Shares:

Name of shareholder	Capacity	Number of A Shares of the Company held	Percentage of total issued A Share capital
Shenzhen International ⁽²⁾	Interest of corporation controlled ⁽³⁾	1,066,239,887(L)	74.39%(L)
SIHC	Interest of corporation controlled ⁽⁴⁾	1,066,239,887(L)	74.39%(L)

H Shares:

Name of shareholder	Capacity	Number of H Shares of the Company held	Percentage of total issued H Share capital
China Merchants Expressway Network & Technology Holdings Company Limited ⁽⁵⁾	Beneficial owner	28,612,000(L)	11.13%(L)
	Interest of corporation controlled	54,556,000(L)	
Shenzhen International ⁽²⁾	Interest of corporation controlled ⁽³⁾	52,612,000(L)	7.03%(L)
SIHC	Interest of corporation controlled ⁽⁴⁾	52,612,000(L)	7.03%(L)

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

Notes:

- (1) All the A Shares of the Company are listed on SSE, and all the H Shares of the Company are listed on the main board of HKEx.
- (2) Shenzhen International is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of HKEx.
- (3) Pursuant to a written letter provided by Shenzhen International to the Company, as at 31 December 2024, Shenzhen International's wholly-owned subsidiary XTC Company directly held long positions of 654,780,000 A shares of the Company as a beneficial owner, and its wholly-owned subsidiary SGH Company directly held long positions of 411,459,887 A shares of the Company as a beneficial owner; Shenzhen International's wholly-owned subsidiary Advance Great Limited actually held 58,194,000 H shares of the Company, representing 7.785% of the Company's issued H share capital.
- (4) SIHC indirectly held 43.951% interests in Shenzhen International. Pursuant to the Securities and Futures Ordinance of Hong Kong, SIHC was deemed to be interested in shares of the Company owned by Shenzhen International.
- (5) Pursuant to the written letter provided by CMET to the Company, as of 31 December 2024, CMET directly holds 91,092,743 A shares of the Company as a beneficial owner; through the Hong Kong Stock Connect, it holds 31,442,000 H shares of the Company as a beneficial owner, and through its wholly-owned subsidiary, Cornerstone Holdings Limited, it holds 54,556,000 H shares of the Company, accounting for 11.505% of the Company's issued H share capital.

Save as disclosed above, to the knowledge of the Company, as at 31 December 2024, there were no other persons required to be disclosed under Section 336 of Part 15 of Securities and Futures Ordinance of Hong Kong.



SHARE CAPITAL AND SHAREHOLDERS

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

1. Information of the Controlling Shareholder

- (1) XTC Company, holding 30.025% shares of the Company, is the largest beneficial shareholder of the Company:

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

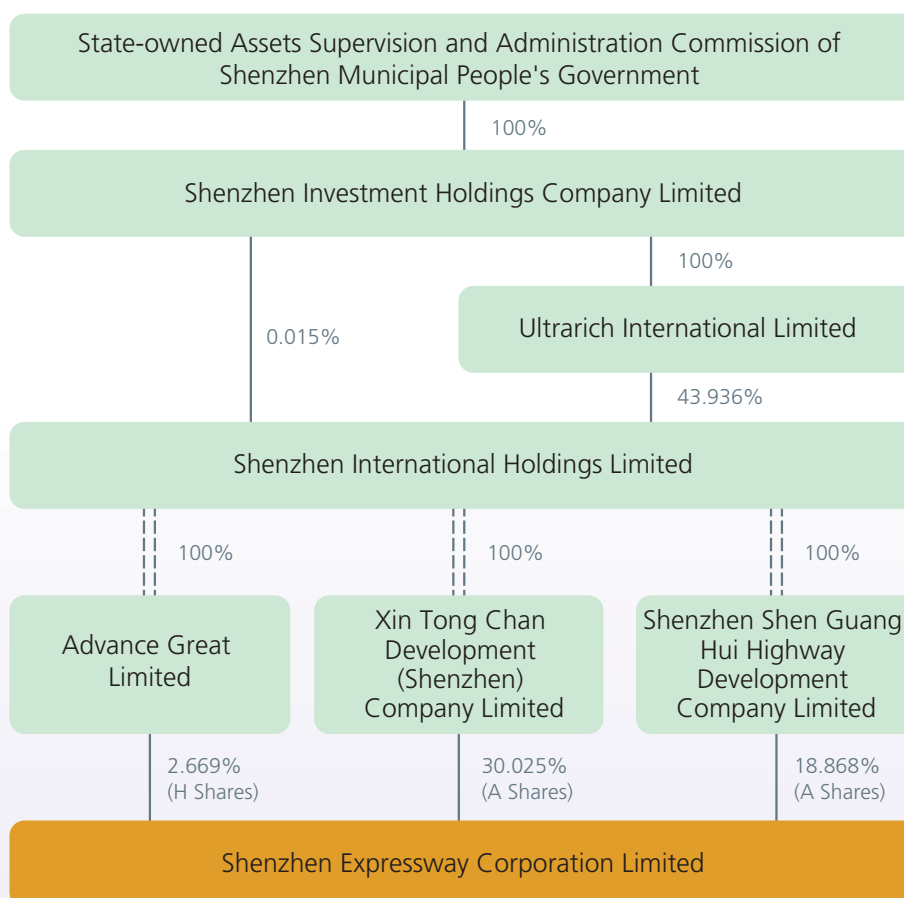
- (2) SGH Company is a corporate shareholder beneficially holding 18.868% shares of the Company (please refer to “Other Legal Person Shareholders Holding More Than 10% of the Company’s Shares” in V below for details), and Advance Great Limited is a corporate shareholder beneficially holding 2.669% shares of the Company.
- (3) As at the end of the Reporting Period, Shenzhen International indirectly held a total of 51.561% shares of the Company by its wholly-owned subsidiaries XTC Company, SGH Company and Advance Great Limited. For details, please refer to the following “chart of ownership and relation of control between the Company and the de-facto controller”.

Name	Shenzhen International Holdings Limited
Person in charge or legal representative	Li Hai Tao (Chairman of the Board)
Date of establishment	22 November 1989
Registered capital	HK\$2,409,639,050 (issued share capital)
Major operating management activities	Shenzhen International is principally engaged in investment holding. Shenzhen International and its subsidiaries are primarily involved in the investment, construction, and operation of logistics infrastructure in the four major areas (Inland Port, Urban Integrated Logistics Parks, Airport Cargo Terminals and Railway hub cargo stations) and toll roads. Leveraging its infrastructure and information service platform, it provides value-added logistics services including intelligent warehousing and integrated cold chain warehousing and distribution to customers. The business scope extends to comprehensive land development related to industries such as “logistics + commerce,” as well as investment and operation in the general-environmental protection industry and other niche markets.
Other domestic and overseas listed company controlled or participated during the Reporting Period	N/A
Other information	Shenzhen International is listed on the main board of HKEx (Stock Code: 00152). For details and the latest information of Shenzhen International, please refer to the information disclosed on the websites of HKEx and Shenzhen International.

2. Information of the De-facto Controller

The actual controller of the Company is Shenzhen SASAC. As at 31 December 2024, Shenzhen SASAC holds 100% interests in SIHC, and performs supervision and management on SIHC. SIHC held 0.015% and 43.936% interests in Shenzhen International as the beneficial owner and through its wholly-owned subsidiary Ultrarich International Limited respectively, totaling approximately 43.951%.

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



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

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

Name of shareholder	Legal representative	Date of establishment	Registered capital	Major operating management activities
Shenzhen Shen Guang Hui Highway Development Company Limited	Du Peng	June 1993	RMB105,600,000	Road and bridge construction and investment, materials supply and marketing

Description

Based on the shareholders' registers provided by the share registrars and the transfer offices of the Company in Hong Kong and the PRC, as at the end of the Reporting Period, apart from XTC Company and SGH Company disclosed in this section, the Company has not found any other individual shareholder beneficially holding issued shares of the Company reaching 10% or more of the total share capital.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. General Information, Change in Shareholding and Remuneration

1. General Information of Directors, Supervisors, and Senior Management Currently in Office and Who Have Left Office as of the Report Date

1.1 General Information of Directors, Supervisors and Senior Management Currently in Office

Name	Position	Gender	Age	Commencement of the term of office of this session ⁽¹⁾	End of the term of office of this session
Xu En Li	Chairman of the Board ⁽²⁾	Male	49	2025.01	Expiry date of the ninth session of the Board
Liao Xiang Wen	Executive Director	Male	56	2016.11	Expiry date of the ninth session of the Board
Yao Hai	Executive Director	Male	51	2024.02	Expiry date of the ninth session of the Board
Wen Liang	Executive Director	Male	51	2019.03	Expiry date of the ninth session of the Board
Wu Yan Ling	Non-Executive Director ⁽²⁾	Female	48	2025.01	Expiry date of the ninth session of the Board
Zhang Jian	Non-Executive Director ⁽²⁾	Female	50	2025.01	Expiry date of the ninth session of the Board
Li Fei Long	Independent Director	Male	60	2021.01	Expiry date of the ninth session of the Board
Miao Jun	Independent Director	Male	67	2021.05	Expiry date of the ninth session of the Board
Xu Hua Xiang	Independent Director	Male	48	2021.05	Expiry date of the ninth session of the Board
Yan Yan	Independent Director	Male	52	2024.02	Expiry date of the ninth session of the Board
Lin Ji Tong	Chairman of Board of Supervisors ⁽³⁾	Male	55	2020.06	The day when the new supervisors are elected by the Company's general meeting
Wang Chao	Supervisor	Male	52	2021.01	Expiry date of the ninth session of the Supervisory Committee
Ye Hui Hui	Supervisor	Female	48	2021.01	Expiry date of the ninth session of the Supervisory Committee
Liao Xiang Wen	President	Male	56	2018.09	Expiry date of the ninth session of the Board
Wen Liang	Financial Controller	Male	51	2018.09	Expiry date of the ninth session of the Board
Huang Bi Nan	Vice President	Female	53	2015.09	Expiry date of the ninth session of the Board
Wang Shao Liang	Vice President ⁽⁴⁾	Male	51	2024.07	Expiry date of the ninth session of the Board
Wen De Liang	Vice President	Male	42	2021.12	Expiry date of the ninth session of the Board
Du Meng	Vice President	Male	50	2021.12	Expiry date of the ninth session of the Board
Zhao Gui Ping	Chief Financial Officer	Female	51	2018.09	Expiry date of the ninth session of the Board
Zhao Gui Ping	Secretary of the Board (concurrent position)	Female	51	2022.03	Expiry date of the ninth session of the Board
Chen Shou Yi	Chief Engineer	Male	53	2018.09	Expiry date of the ninth session of the Board

1.2 General information and changes in positions of directors, supervisors, and senior management who have left office as of the date of this report

Name	Position (Before leaving office)	Gender	Age	Commencement of the term of office of this session ⁽¹¹⁾	Leaving date
Bai Hua	Independent Director ⁽⁵⁾	Male	55	2018.02	2024.02
Wang Zeng Jin	Executive Director ⁽⁶⁾	Male	54	2020.06	2024.02
Lü Da Wei	Non-executive Director ⁽⁷⁾	Male	50	2022.06	2024.12
Li Xiao Yan	Non-executive Director ⁽⁸⁾	Female	47	2021.01	2025.01
Dai Jing Ming	Non-executive Director ⁽⁹⁾	Male	60	2021.01	2025.01
Wen Po Wei	Vice President ⁽¹⁰⁾	Male	51	2015.09	2024.07

- (1) The term of office of the members of the ninth session of the Board and the Supervisory Committee of the Company expired on 31 December 2023. As the nomination of candidates for the new Board and Supervisory Committee of the Company has not been completed, the term-end election of the new Board and Supervisory Committee will be postponed, and the term of office of the specialised committees of the Board and the senior management will also be extended accordingly. For details, please refer to the announcement of the Company dated 27 December 2023.
- (2) At the general meeting held on 9 January 2025, Mr. Xu Enli, Ms. Wu Yanling, and Ms. Zhang Jian were appointed as directors of the ninth session of the Board of Directors of the Company, with their terms commencing on 9 January 2025 and ending on the date the ninth session of the Board expires.
- (3) The Board of the Company received a written resignation report submitted by Mr. Lin Ji Tong on 11 November 2024, who resigned from his positions as a supervisor and Chairman of the Supervisory Committee of the Company for personal career reason, and his resignation will take effect after the election of new supervisors at the general meeting of the Company. During this period, Mr. Lin will continue to perform his supervisor duties in accordance with the applicable provisions.
- (4) Approved at the 45th meeting of the ninth session of the Board of Directors held on 26 July 2024, Mr. Wang Shao Liang was appointed as the Vice President of the Company, with the term of office commencing on 26 July 2024 and ending on the expiration date of the term of the ninth session of the Board of Directors.
- (5) The Company received a written resignation report submitted by former Independent Non-executive Director Mr. Bai Hua on 22 December 2023, and his resignation took effect from the appointment of new Independent Directors at the general meeting held on 20 February 2024.
- (6) The Company received a written resignation report submitted by former Executive Director Mr. Wang Zeng Jin on 20 February 2024, who resigned as a director of the Company due to a job change, and his resignation took effect immediately.
- (7) The Board of the Company received a written resignation report submitted by former Non-executive Director of the Company Mr. Lü Da Wei on 19 December 2024, who resigned as a director of the Company due to personal career reason, and his resignation took effect immediately.
- (8) The Board of the Company received a written resignation report submitted by former Non-executive Director of the Company Ms. Li Xiao Yan on 9 January 2025, who resigned as a director of the Company due to change of personal career, and her resignation took effect immediately.
- (9) The Board of the Company received a written resignation report submitted by former Non-executive Director of the Company Mr. Dai Jing Ming on 23 January 2025, who resigned as a director of the Company due to retirement, and his resignation took effect immediately.
- (10) The Board of the Company received a written resignation report submitted by former Vice President Mr. Wen Po Wei on 4 July 2024, who resigned from all positions of the Company due to a job adjustment, and his resignation took effect immediately.
- (11) The commencement of the term of office refers to the commencement of the position listed on the table; for details of other positions, please refer to point 3 below.
- (12) Regarding the appointment, hiring, resignation and leaving of directors, supervisors and senior management, the Company has issued announcements in a timely manner. For details, please refer to relevant announcements.



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

2. Interests and Remuneration of Directors, Supervisors and Senior Management Currently in Office and Left Office During the Reporting Period

Unit: RMB10,000 (before tax)

Name	Whether hold or trade shares of the Company	Total pre-tax compensation receivable from the Company during the Reporting Period				Whether receive remuneration from related parties during the Period
		Total Salary	Five types of insurance and two funds	Remuneration and/or meeting allowances for directors and supervisors	Total	
Xu En Li	No	10.67	2.06	Not applicable	12.73	No
Liao Xiang Wen	No	112.30	23.68	Not applicable	135.98	No
Yao Hai	No	104.15	22.83	Not applicable	126.98	No
Wen Liang	No	Not applicable	Not applicable	Not applicable	0	Yes
Wu Yan Ling	No	Not applicable	Not applicable	Not applicable	0	Yes
Zhang Jian	No	Not applicable	Not applicable	Not applicable	0	Yes
Li Fei Long	No	Not applicable	Not applicable	25.45	25.45	Yes
Miao Jun	No	Not applicable	Not applicable	25.45	25.45	No
Xu Hua Xiang	No	Not applicable	Not applicable	25.25	25.25	Yes
Yan Yan	No	Not applicable	Not applicable	21.50	21.50	Yes
Lin Ji Tong	No	Not applicable	Not applicable	Not applicable	0	Yes
Wang Chao	No	Not applicable	Not applicable	Not applicable	0	Yes
Ye Hui Hui	No	52.98	16.75	1.05	70.78	No
Huang Bi Nan	No	101.80	22.59	Not applicable	124.39	No
Wang Shao Liang ⁽⁴⁾	No	47.73	10.85	Not applicable	58.58	No
Wen De Liang	No	101.80	22.74	Not applicable	124.54	No
Du Meng	No	101.80	22.62	Not applicable	124.42	No
Zhao Gui Ping	No	99.46	22.34	Not applicable	121.80	No
Chen Shou Yi	No	99.46	22.34	Not applicable	121.80	No
Bai Hua (resigned) ⁽⁴⁾	No	Not applicable	Not applicable	3.76	3.76	No
Wang Zeng Jin (resigned) ⁽⁴⁾	No	0	0	Not applicable	0	No
Lü Da Wei (resigned)	No	Not applicable	Not applicable	1.35	1.35	Yes
Dai Jing Ming (resigned)	No	Not applicable	Not applicable	Not applicable	0	Yes
Li Xiao Yan (resigned)	No	Not applicable	Not applicable	Not applicable	0	Yes
Wen Po Wei (resigned) ⁽⁴⁾	No	50.91	11.04	Not applicable	61.95	No
Total	/	/	/	/	1,186.70	/

Description:

- (1) Remuneration includes fixed salary and performance bonus. The 2024 senior management performance bonus in the above table has not yet been released. The above figure was estimated and summarised in accordance with the applicable rules of annual bonus for 2024, and the final actual amount to be released to the senior management shall prevail. The five types of insurance and two funds include contributions to social pension insurance, other social insurance, enterprise annuity, and housing provident fund by the Company.
- (2) Directors Wen Liang and Dai Jing Ming, and supervisors Lin Ji Tong and Wang Chao are paid by related parties of the Company.
- (3) Directors Li Xiao Yan, Lü Da Wei, Li Fei Long, Xu Hua Xiang, and Yan Yan get paid from related parties that have no affiliation with the Company's controlling shareholder.
- (4) The remuneration listed in the above table for Chairman Xu En Li, Independent Director Yan Yan, Vice President Wang Shao Liang, former Independent Director Bai Hua, former Director Lü Da Wei, and former Vice President Wen Po Wei is the remuneration received during their tenure at the Company within the Reporting Period.
- (5) After the Company completed the relevant performance evaluation procedures for state-owned assets in 2024, the Company settled the deferred performance annual salary and term incentives for senior management from 2021 to 2023, as follows: Liao Xiang Wen 864.1 thousand, Huang Bi Nan 731 thousand, Wen De Liang 296.9 thousand, Du Meng 602.7 thousand, Zhao Gui Ping 1,050.6 thousand, Chen Shou Yi 568.3 thousand, Wang Zeng Jin 458.3 thousand, Wen Po Wei 590 thousand.

For the information on the remuneration policies of the Directors/Supervisors of the Company, remuneration and benefits policies and performance evaluation and incentive system of the Company, please refer to point III below.

3. Biography of the Directors, Supervisors and Senior Management


As approved at the first extraordinary general meeting of the Company held on 9 January 2025, Mr. Xu En Li was appointed as an Executive Director of the ninth session of the Board of the Company, and Ms. Wu Yan Ling and Ms. Zhang Jian were appointed as Non-executive Directors of the ninth session of the Board of the Company. The term of office of the new Executive and Non-executive Directors will be from 9 January 2025 to the expiry of the ninth session of the Board. For details, please refer to the announcement of the Company dated 9 January 2025. Mr. Xu En Li, Ms. Wu Yan Ling, and Ms. Zhang Jian obtained relevant legal opinions pursuant to Rule 3.09D of the Listing Rules of the HKEx prior to official appointment on 8 January, 8 January and 9 January 2025, respectively. At the Board meeting held on 9 January 2025, Mr. Xu En Li was elected as Chairman of the Board of the Company.






DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES



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



Director:

Name	Position in the Company	Resume
<p>XU En Li</p> 	<p><i>Executive Director,</i> Secretary of the Party Committee, Chairman, Chairman of Strategy Committee, Member of Nomination Committee.</p> <p>Director since Jan 2025.</p>	<p>Born in 1975. Mr. Xu is a senior engineer and holds a master's degree in Management Science and Engineering from Tianjin University. He has extensive experience in engineering project construction, project investment and operation management, and management of large comprehensive group enterprises. Currently, Mr. Xu is mainly responsible for leading the work of the Board, leading the formulation of the Group's development strategy, and responsible for overall management, strategic planning, business development, and cooperation of the Group.</p> <p>Mr. Xu once worked at Shenzhen Tagen (Group) Co., Ltd. (a company listed on the SZSE). From 2008 to 2020, he held various positions in several subsidiaries of Shum Yip Group Limited ("Shum Yip Group"), including Deputy General Manager, Deputy Secretary of the Party Committee, General Manager, Secretary of the Party Committee, and Chairman. From 2020 to 2024, he served as a member of the Party Committee and Deputy General Manager of Shum Yip Group. During this period, he also served as Secretary of the Party Branch and Chairman of Shum Yip Commercial Management Co., Ltd. and Shum Yip Land Co., Ltd. Mr. Xu had been a director of Shenzhen Investment Limited and Road King Infrastructure Limited (both listed on the the Stock Exchange) from 2022 to 2024. Mr. Xu joined the Company as the Secretary of the Party Committee in November 2024, and has served as the Chairman of the Company since January 2025.</p>
<p>LIAO Xiang Wen</p> 	<p><i>Executive Director,</i> Deputy Secretary of the Party Committee, President, Member of Strategy Committee, Member of Risk Management Committee.</p> <p>Director since Nov 2016 and President since Sep 2018.</p>	<p>Born in 1968. Mr. Liao has a doctor's degree in Law from Southwest University of Political Science and Law, and he has extensive experience in toll highway management, human resources, and legal affairs management. Mr. Liao is responsible mainly for coordinating and managing the Group's business and operation, implementing the strategies laid down by the Board and making day-to-day operating decisions, etc.</p> <p>Mr. Liao previously worked at the Shenzhen Transportation Bureau, holding positions such as Deputy Chief Clerk, Chief Clerk, and Deputy Director. Mr. Liao joined the Company in November 2004 and served as Vice President from September 2009 to September 2018. He has been the President since September 2018. Mr. Liao temporarily led the Company's work from 1 December 2022 to 25 November 2024. He also serves as the chairman and director in some subsidiaries and investment enterprises of the Company, including the Chairman of Bay Area Development (a company listed on the the Stock Exchange) since January 2023.</p>

Name	Position in the Company	Resume
<p>YAO Hai</p> 	<p><i>Executive Director,</i> Deputy Secretary of the Party Committee, Member of Nomination Committee.</p> <p>Director since Feb 2024.</p>	<p>Born in 1973. Mr. Yao has the qualification of Economist, and holds master's degree in Public Administration from Fudan University. Mr. Yao has over 20 years of experience in property management and business operation and management. He is currently mainly responsible for the coordination and management of the Company's party building, human resources, administration, corporate culture construction, labor union and league organisation building, news and publicity, etc.</p>
<p>WEN Liang</p> 	<p><i>Executive Director,</i> Financial Controller, Member of Remuneration Committee, Member of Risk Management Committee.</p> <p>Director since Mar 2019. Financial Controller since Sep 2018.</p>	<p>Born in 1973. Mr. Wen has the qualification of Senior Accountant, and holds master's degree in Management from Zhongnan University of Economics and Law. Mr. Wen has extensive experience in finance and auditing management. Mr. Wen is mainly responsible for coordination and management of financial monitoring, internal control and internal auditing affairs of the Company. Mr. Wen takes the lead in charge of the Company's asset evaluation and filing work.</p>
<p>WU Yan Ling</p> 	<p><i>Non-executive Director.</i></p> <p>Director since Jan 2025.</p>	<p>Born in 1976. Ms. Wu holds a Master of Arts from Renmin University of China, a Financial MBA from Saïd Business School, University of Oxford, and an EMBA from School of Economics and Management, Tsinghua University. She has many years of experience in the banking and securities industries.</p>
		<p>Ms. Wu had served as an investment manager in the Investment Banking Department at the Head Office Business Department of China CITIC Bank Corporation Limited. From 2010 to 2020, she served as Vice President, Senior Vice President, and Director in departments such as the securities finance business line, alternative investment business line, and equity derivatives business line at CITIC Securities Company Limited. She joined Guolian Securities Co., Ltd. in 2020 as Executive General Manager of the Equity Derivatives Department. In January 2023, she joined CMET (a company listed on the SZSE) and is currently the Deputy General Manager of the Capital Operation Department (Board Office).</p>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Position in the Company	Resume
ZHANG Jian 	<i>Non-executive Director.</i> Director since Jan 2025.	<p>Born in 1974. Ms. Zhang is a senior engineer with a master's degree in transportation engineering from Tongji University. She has extensive experience in investment planning, engineering project management, planning contract management, and capital operations.</p> <p>Ms. Zhang has been in GDRB Company since 1997. From 1997 to 2018, she successively held positions including Deputy Manager of the Planning and Contract Department and Manager of the Planning and Contract Department at Guangzhou Management Office of Guangshao Company, and Deputy Manager of the Maintenance Management Department at GDRB Company. From 2018 to 2021, she successively served as Deputy Secretary and Secretary of the Party Branch of Guangdong Jiaying Ring Expressway Co., Ltd. From 2020 to 2022, she served as Director of the Preparatory Office for Guangzhou-Zhaoqing and Guangzhou-Yunfu Reconstruction and Expansion Projects of GDRB Company. Since June 2021, she has been the Director of the Investment Development Department of GDRB Company. Ms. Zhang is currently also serving as directors or supervisors in some subsidiaries of GDRB Company.</p>
LI Fei Long 	<i>Independent Director,</i> Chairman of Remuneration Committee, Chairman of Audit Committee, Member of Nomination Committee, Member of Strategy Committee. Independent Director since Jan 2021.	<p>Born in 1964. Mr. Li has the qualification of Professor level Senior Accountant, Chinese Certified Public Accountant and Chinese Certified Senior Risk Manager, and he holds a Bachelor's degree in Management Engineering from China University of Petroleum (formerly East China Petroleum Institute). Mr. Li has extensive experience in financial management, capital operation, investment and financing management, as well as experience in energy industry.</p> <p>Mr. Li previously worked at China National Offshore Oil Corporation. From September 2010 to February 2018, Mr. Li served as executive director, executive vice president and chief financial officer of China Oilfield Services Limited (a company listed on the SSE). From January 2017 to February 2018, he concurrently served as the deputy chief accountant of China National Offshore Oil Corporation (a company listed on the SSE). From March 2018 to October 2019, he served as the vice president and the chief financial officer of GCL-Poly Petroleum and Natural Gas Co., Ltd. From November 2019 to December 2024, he has concurrently served as a director and the chairman of the audit and risk committee of Newage (African Global Energy) Ltd. in the United Kingdom. From October 2021 to December 2023, he served as a director of Shuyan Technology Co., Ltd. He has been serving as the deputy general manager and chief financial officer of Beijing Jiejixi Technology Company Limited (formerly known as Beijing Jiejixi Petroleum Equipment Company Limited) since March 2021, and has been serving as a director the company since December 2023.</p>

Name	Position in the Company	Resume
<p>MIAO Jun</p> 	<p><i>Independent Director,</i> Chairman of Nomination Committee, Member of Strategy Committee, Member of Audit Committee.</p> <p>Independent Director since May 2021.</p>	<p>Born in 1957. Mr. Miao has the qualification of Professor level Senior Engineer, and holds a Bachelor's degree in Power System Automation from Nanjing Institute of Technology (now Southeast University). Mr. Miao has extensive experience in power and energy management.</p> <p>Mr. Miao has worked in the Ministry of Water Resources and Electric Power, the Planning Department of the Ministry of Energy, and China Longyuan Power Group Corporation Limited (a company listed on the Stock Exchange and SZSE). He successively served as the chief economist, deputy general manager and member of the party group in GD Power Development Co., Ltd (a company listed on the SSE) from 2000 to 2017. Mr. Miao retired in July 2017.</p>
<p>XU Hua Xiang</p> 	<p><i>Independent Director,</i> Chairman of Risk Management Committee, Member of Remuneration Committee, Member of Nomination Committee.</p> <p>Independent Director since May 2021.</p>	<p>Born in 1976. Mr. Xu has the qualification of Chartered Financial Analyst (CFA), and holds a Master's of Business Administration from University of Illinois at Urbana Champaign, USA. Mr. Xu has experience in financial investment and financing management.</p> <p>Mr. Xu previously worked at Shanghai Rui'an Consulting Co., Ltd. From June 2004 to June 2019, Mr. Xu successively served as vice president, executive director, head of Asia Pacific transportation research at Morgan Stanley Asia Limited; From July 2019 to July 2022, he served as the chief strategy officer of EHang Intelligence Holdings Co., Ltd. (a US listed company). Since June 2023, he has been a licenced person and a senior partner of Axioms Capital Management Limited. Currently, he also serves as the legal representative, Executive Director, and General Manager of Shenzhen Xujiang Innovation Technology Co., Ltd., an executive partner of Guangzhou Guoning Xiangyuan Commercial Investment Partnership (Limited Partnership), director and manager of Selenium Ruikang (Chengdu) Biotechnology Co., Ltd., and director of Shanghai Guanyan Hotel Management Co., Ltd.</p>
<p>YAN Yan</p> 	<p><i>Independent Director,</i> Member of Audit Committee, Member of Risk Management Committee.</p> <p>Independent Director since Feb 2024.</p>	<p>Born in 1972. Mr. Yan has the qualification of Chinese Certified Public Accountant (non-practicing) and the professional title of professor in accounting. Mr. Yan holds a Doctorate in Management from the Department of Accounting at Fudan University and a postdoctoral degree in Business Administration from the School of Accounting at Shanghai University of Finance and Economics. He possesses accounting and financial expertise and work experience suitable for his duties.</p> <p>Mr. Yan formerly served as a principal staff member at the Department of Science and Technology of Jiangsu Province, a professor of Shanghai National Accounting Institute, and a lawyer and partner assigned by the Shanghai Branch of Beijing Long'an Law Firm. Currently, Mr. Yan also serves as an independent director of SB Wealth Management Co., Ltd., BNP Paribas (Shanghai) Limited and Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (a company listed on the SZSE).</p>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Supervisor:

Name

Position in the Company

Resume

LIN Ji Tong



(Shareholders' Representative) Supervisor.

Chairman of Supervisory Committee since Jun 2020.

Born in 1969. Mr. Lin holds a Master's degree in Law from Jinan University, and has extensive working experience in Communist party and disciplinary inspection and supervision.

Mr. Lin has worked as the head of the People's Court of Rongcheng District of Jieyang City and the Rongcheng District Committee of Jieyang City. He successively served as deputy secretary of the party working committee of Guangming Office and the director of the Land Supervision Bureau of Guangming New District of Shenzhen from August 2008 to September 2016. He worked as the deputy general manager of a subsidiary of Shenzhen International (a company listed on the Stock Exchange), the head of the discipline inspection and supervision office and the deputy secretary of the disciplinary committee of Shenzhen International successively from September 2016 to April 2020. Mr. Lin served as the Secretary of the Disciplinary Committee of the Company from May 2020 to November 2024, and the Chairman of the Supervisory Committee of the Company since June 2020.

Mr. Lin submitted a written resignation report to the Company on 11 November 2024. Such resignation will take effect after the election of new supervisor at the general meeting of the Company.

WANG Chao



(Shareholders' Representative) Supervisor.

Supervisor since Jan 2021.

Born in 1972. Mr. Wang has the qualification of Senior Accountant, and holds a Bachelor's degree of Auditing from Central South University of Finance and Economics. Mr. Wang has extensive working experience in finance, auditing and risk management.

Mr. Wang has worked in Shenzhen Baoheng (Group) Co., Ltd. and COFCO Real Estate (Group) Co., Ltd. He served as department head and deputy minister in Shenzhen Investment Holdings Co., Ltd. from June 2008 to November 2016, and the head and minister of the financial department of Shenzhen Talents Housing Group Co., Ltd. from November 2016 to November 2020. He served as a director and chief financial officer of Shenzhen Tegen Group Co., Ltd. (a company listed on the SZSE) from November 2020 to July 2024. He has served as a director and CFO of Shenzhen Energy Group Co., Ltd. since July 2024.

YE Hui Hui





(Staff representative) Supervisor.

Supervisor since Jan 2021.




Born in 1976. Ms. Ye has the qualification of International Registered Internal Auditor, and holds a Bachelor's degree of Auditing from Shanxi University of Finance and Economics. Ms. Ye has years of auditing experience.

Ms. Ye taught in the department of economics and management of Guangdong Shaoguan University. She joined the Company in November 2001 and has served as a senior manager of the standards management department, senior manager of the Board secretary department, and senior auditor of the audit department. She is currently the senior manager of risk management and legal department of the Company.

Non-director Senior Management and Joint Company Secretaries:

Name	Position in the Company	Resume
<p>HUANG Bi Nan</p> 	<p><i>Vice President.</i></p>	<p>Born in 1971. Ms. Huang has the qualification of Economist, and holds a Bachelor's degree of Management from Renmin University of China. Ms. Huang has many years of experience in highway operation management, enterprise management, and management system construction. Currently, she is mainly responsible for the overall management of the Group's industry policies, highway operations, innovation, collaboration, property rights management of investee companies, business planning management, performance appraisal, etc.</p> <p>Ms. Huang joined the Company in 1997, and has been the Office Administrator of the Company since June 2008 and Vice President since September 2015. Currently, she serves concurrently as chairman, vice chairman and director of some subsidiaries and participating companies of the Company.</p>
<p>WANG Shao Liang</p> 	<p><i>Vice President.</i></p>	<p>Born in 1973. Mr. Wang has a Master's degree of Engineering in Bridge and Tunnel Engineering from Southwest Jiaotong University. Mr. Wang has extensive domestic and international project management experience, as well as administrative management experience in regional planning, urban development strategy, and social affairs. Currently, he is mainly responsible for the Group's strategy management, investment operations and property rights changes.</p> <p>Mr. Wang has worked in the Overseas Department of China Railway Engineering Corporation, the Urban Development Division, Social Development Division, and Major Project Coordination Division of the Shenzhen Development and Reform Commission, holding positions such as Deputy Director and Director. From September 2021 to June 2024, he served as Deputy Director of the Shenzhen National High-tech Industry Innovation Centre (Shenzhen Development and Reform Research Institute). Mr. Wang has served as Vice President of the Company, since July 2024.</p>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Position in the Company	Resume
WEN De Liang 	<i>Vice President.</i>	<p>Born in 1982. Mr. Wen has a Bachelor's degree of Transportation from Changsha University of Science and Technology, he has many years of experience in administrative and corporate management. Mr. Wen is currently mainly responsible for the overall management of the Company's industry finance business and new energy industry.</p> <p>Mr. Wen had worked in Whole Logistics (Shenzhen) Co., Ltd., Shenzhen International South China Logistics Co., Ltd., and Shenzhen International. Mr. Wen joined the Company in June 2015 and successively served as the deputy general manager of the New Industry R&D department and the deputy director of the general office. Mr. Wen served as the director of the general office of the Company from August 2016 to May 2022. Mr. Wen has been serving as the Vice President of the Company since December 2021. Mr. Wen currently also serves as chairman and director of certain subsidiaries of the Company.</p>
DU Meng 	<i>Vice President.</i>	<p>Born in 1974. Mr. Du has the qualification of Senior Engineer, and has a Bachelor's degree of Civil Engineering from Jilin University. Mr. Du has many years of experience in construction and enterprise development management, and is currently mainly responsible for the overall management of the Company's engineering construction.</p> <p>Mr. Du joined the Company in 2002 and has served as the deputy general manager of the project management division, the general manager of the project management division, the deputy general manager of the engineering management division and the deputy general manager of Shenzhen Expressway Construction and Development Co., Ltd. Since November 2017, Mr. Du has successively served as the general manager and chairman of Shenzhen Expressway Infrastructure Environmental Protection Development Co., Ltd. Mr. Du has been a Vice President of the Company since December 2021. Mr. Du is also chairman of some subsidiaries of the Company.</p>
ZHAO Gui Ping 	<i>Chief Financial Officer, Board Secretary and Joint Company Secretary.</i>	<p>Born in 1973, Ms. Zhao has the qualification of Chinese Certified Public Accountant (Non-Practicing), Registered Asset Appraiser (Non-Practicing), and holds a Master's degree of Business Administration from Fudan University. Ms. Zhao has extensive experience in finance, auditing and corporate management. Currently, she is mainly responsible for the overall management of the Company's finance, financing work, information disclosure, investor relations, general meetings, and routine affairs of the Board.</p> <p>Ms. Zhao joined the Company in 2000 and successively served as assistant to the manager of the finance department, deputy general manager of the finance department, deputy general manager and chief financial officer of Shenzhen Expressway Investment Co., Ltd. Ms. Zhao served as the general manager of the finance department of the Company from December 2016 to March 2020, and has been the chief accountant of the Company since September 2018. Ms. Zhao has been the secretary to the Board and joint company secretary of the Company since March 2022. Ms. Zhao is also currently serve as director and supervisor of certain subsidiaries and equity participating enterprise of the Company.</p>

Name**Position in the Company****Resume**

CHEN Shou Yi

*Chief Engineer.*

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

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

LAM Yuen Ling Eva

*Joint Company Secretary.*

Born in 1966. Ms. Lam has the qualification of a Senior Certificate in Corporate Secretary and Administration from The Hong Kong Polytechnic University. Ms. Lam holds a Master's degree of Science in Corporate Governance and Director Studies from Hong Kong Baptist University, and she has over 20 years of experience in company secretarial services and commercial solutions. Ms. Lam is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and is a Certified Corporate Governance Professional. Ms. Lam is also a permanent associate member of The Hong Kong Independent Non-executive Director Association. Ms. Lam is currently a director of BMI Listed Corporate Services Limited and is responsible for supervising the company secretarial teams to provide full range of listed and private company secretarial services to clients, and Ms. Lam has been the Joint Company Secretary from January 2016 to January 2019 and since August 2019.



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors in office as at the end of the Reporting Period while have left office by the date of this report:

Name	Main positions in the Company and resumes as at the end of the Reporting Period
DAI Jing Ming	<p>Mr. Dai served as a non-executive director of the Company from January 2021 to January 2025.</p> <p>Born in 1964, Mr. Dai has the qualification of Senior Economist, and holds PhD in Economics from the Institute of Fiscal Science, Ministry of Finance. Mr. Dai has rich experience in corporate finance, investment and management.</p> <p>Mr. Dai worked at Shum Yip Group Limited, serving as the General Manager of the Group's Audit Department, Office, Risk Management Department, and Planning and Finance Department successively. He joined Shenzhen International (a company listed on the Stock Exchange) and served as the chief financial officer in August 2017, and has served as an Executive Director of Shenzhen International from September 2020 to January 2025. Mr. Dai retired in January 2025.</p>
LÜ Da Wei	<p>Mr. Lü served as a non-executive director of the Company from June 2022 to December 2024.</p> <p>Born in 1975. Mr. Lü has the qualification of Professor level Senior Engineer, and PhD in Road and Railway Engineering from Chang'an University. Mr. Lü has extensive experience in engineering management and corporate management.</p> <p>Mr. Lü joined GDRB Company in July 1999, and served successively as technical supervisor, project leader, department manager, deputy general manager and general manager of subsidiaries. He has served as a member of the party committee and deputy general manager of GDRB Company since September 2021. He also serves as Chairman of some subsidiaries of GDRB Company.</p>
LI Xiao Yan	<p>Ms. Li served as a non-executive director of the Company from January 2021 to January 2025.</p> <p>Born in 1977. Ms. Li has the qualification of Senior Accountant, Chinese Certified Public Accountant (Non-Practicing), Royal Chartered Accountant, Global Chartered Management Accountant, and holds Master's degree in Accounting from Xi'an Jiaotong University. Ms. Li has extensive working experience in financial management, corporate management, and investment and financing management.</p> <p>Ms. Li worked in Sinotrans Group from August 2001 to March 2020. She served as the chief financial officer of a business division, general manager of the finance department, and a member of the disciplinary committee of Sinotrans Limited (a company listed on the Stock Exchange and SSE). She has served as the deputy chief financial officer of CMET (a company listed on the SZSE) since April 2020, and served as the chief financial officer of CMET from April 2022 to May 2024. She served as CFO and a member of the Party Committee of Sinotrans Limited since May 2024.</p>

II. Positions held by the Directors, Supervisors and Senior Management

1. Positions in the shareholders' units

Name	Shareholder name	Positions held in the shareholder	Term of Office
Dai Jing Ming	Shenzhen International	Executive Director	Sep 2020 – Jan 2025
		Financial Controller	Aug 2017 – Jan 2025
Li Xiao Yan	CMET	Financial Controller	Apr 2022- May 2024
Lü Da Wei	GDRB Company	Deputy General Manager	Sep 2021 – now
Wu Yan Ling	CMET	Deputy General Manager of the Capital Operations Department (Board Office)	Jan 2023 – now
Zhang Jian	GDRB Company	Head of the Investment and Development Department	Jun 2021 – now
Description of positions held in the shareholder	In addition to abovementioned main positions in shareholders entities, former Directors Li Xiao Yan, Lü Da Wei, and current Director Zhang Jian also serves concurrently as a director or supervisor at some non-listed subsidiaries or investee companies of the relevant shareholders entities.		



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

2. Positions in other units

Expert for the above resumes, the main positions held by the directors, supervisors and senior management at other units also include:

Name	Name of other entities	Employment in other entities	Term of Office
Wen Liang	Shenzhen Port Group Co., Ltd.	Supervisor	Feb 2017 – now
Li Fei Long	New Age (African Global Energy) Ltd	Director, and Chairman of the Audit and Risk Committee	Nov 2019 – December 2024
Yan Yan	Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd.	Independent Director	Dec 2019 – now
	BNP Paribas (China) Co., Ltd.	Independent Director	Jan 2020 – now
	Suyin Wealth Management Co., Ltd.,	Independent Director	Aug 2020 – now
Wang Chao	Shenzhen Energy Group Co., Ltd.	Director Financial Director	Jul 2024 – now

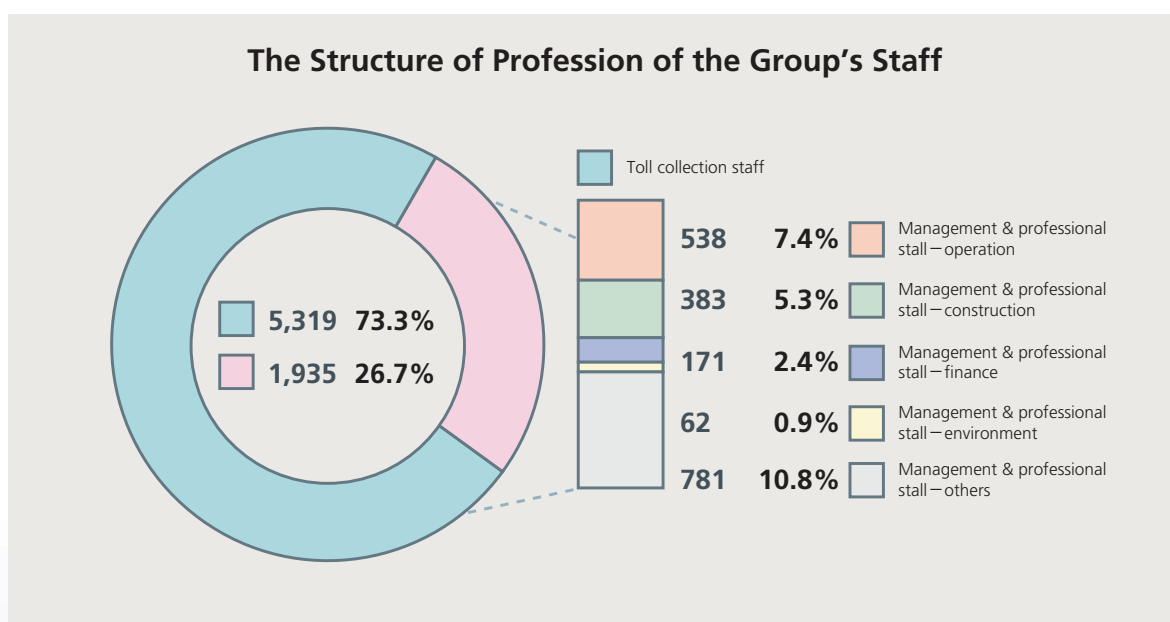
Note: For specific information for positions held by Directors, Supervisors, and Senior Management in other units, please refer to the resume above.

III. Basic Information of Employees and Human Resource Management

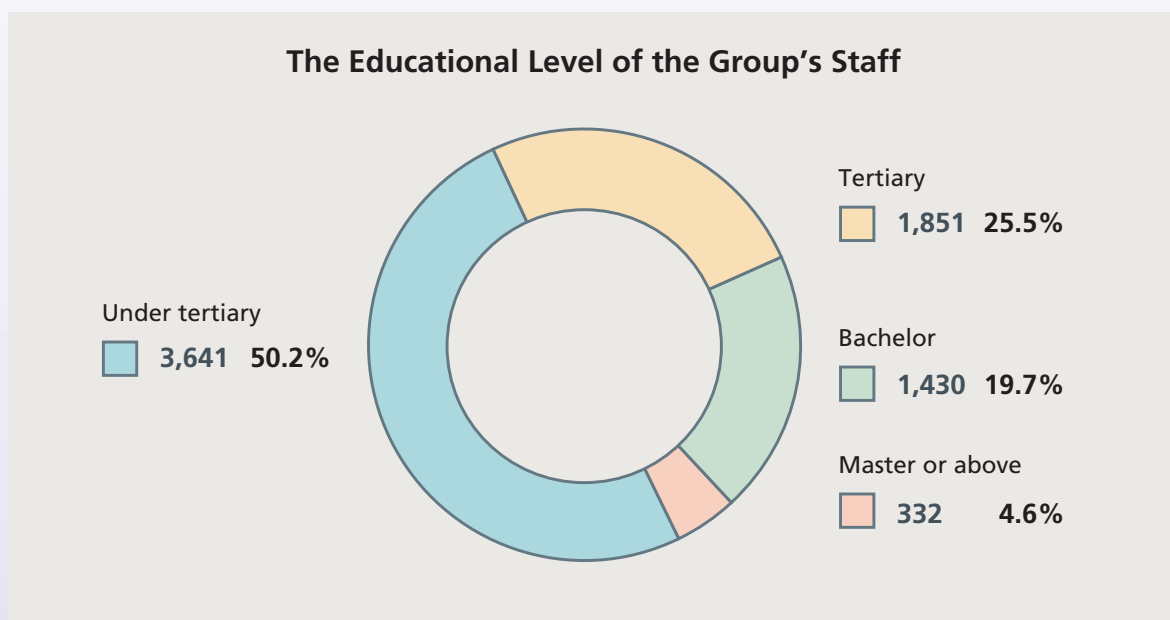
1. Basic Information of Employees:

Current employees in the parent company	170
Current employees in the main subsidiaries	7,084
Total number of current employees	7,254
Number of retired employees whose costs shall be borne by the parent company and the main subsidiaries	0

At the end of the Reporting Period, among the employees of the Group (including the Company and its consolidated subsidiaries) 5,319 were frontline staff, representing 73.3% of total number, while 1,935 were management and professional staff, including staff of operation, engineering, finance, environment and other series, representing 26.7% of the total number. The structure of profession of the Group's staff is as follows:



Among the employees of the Group, approximately 49.8% held tertiary or above qualifications, with 73.7% of management and professional personnel having a bachelor's degree or above. The educational level of the Group's staff is as follows:



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

2. Remuneration policy

Remuneration Policies of the Directors/Supervisors:

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

According to the proposed plans approved by the general meeting, Independent Directors and Directors who were not nominated by the shareholders of the Company would receive Directors' fees, and the Company would not separately determine or pay any additional fees to the Directors and the Supervisors who are entitled to receive management salary in the Company or shareholder entities. All Directors and Supervisors are entitled to obtain meeting subsidy for the meetings as stipulated. During the Period, the proposal for the remuneration of the members of the Board and the Supervisory Committee was strictly implemented as approved by the general meeting.

Remuneration and Benefits Policies:

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

The Company's Executive Directors, senior management and the staff representative Supervisor received management salary based on their specific management positions in the Company. The remuneration of senior management includes fixed salaries and performance bonuses, of which performance bonuses are calculated based on how the annual performance targets are met by them, and are proposed or reviewed by the Remuneration Committee.

Pursuant to the statutory requirements, the Group has participated in the employee retirement benefit program (social pension insurance) and the housing provident fund plan coordinated or organised by the local government authorities, and has arranged various security plans such as medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for its employees. According to the relevant regulations, the Group is required to pay contributions equivalent to a certain percentage of the employee's aggregate salary (subject to the required maximum cap) to the labor and social security authorities management centre as social insurance contributions for items such as pension and medical insurance expenses. In addition, the Company also makes enterprise annuity contributions (supplementary pension insurance) for its management and professional personnel regularly. For details of the remuneration and benefits for employees during the Reporting Period, please refer to notes \30 and \39 to the Financial Statements in this annual report.

Performance Evaluation and Incentive System:

The Board determines the Company's annual operating performance targets at each year and sets out clear and concrete rating criteria as the basis for year-end appraisals on the overall performance of the Executive Directors and the management of the Company. In 2024, guided by the overall goals of value and development quality improvement, the Company set key performance targets such as economic efficiency, business expansion, project construction, market capitalisation management, technological innovation, work safety, ecological civilisation, party building, and incorruptible practices.

Based on the operating performance targets approved by the Board, the Company is required to determine the annual tasks and targets for staff members of all ranks, segregate and delegate the Company's objectives to the relevant departments and staff. Meanwhile, senior management members are also required to sign accountability statements on their performance targets with the President. By the end of the year, the Board will determine the overall performance score of the Company and individual performance scores of the senior management members with reference to the state of completion of the Company's and individual performance targets, and calculate the performance bonuses for the Executive Directors and other senior management members accordingly. The remuneration plan of all senior management members is subject to review by the Remuneration Committee and are required to be reported to the Board.

3. Staff Training

The Company values employee training and has established a training system based on job competency. During the Reporting Period, the Company organised a number of training sessions, which covered all business segments of the Company, including general management, operation management and professional skills. In addition, to meet the growing demand for cross-regional training in the Company and realise the full coverage of training, the Company leveraged mobile learning platforms for training. During the Reporting Period, the various business segments of the Group headquarters organised over 500 online and offline courses, involving over 21,000 person-times, covering laws and regulations, risk management, safety management, operational management, financial management and comprehensive professional literacy, etc.



CORPORATE GOVERNANCE SUMMARY

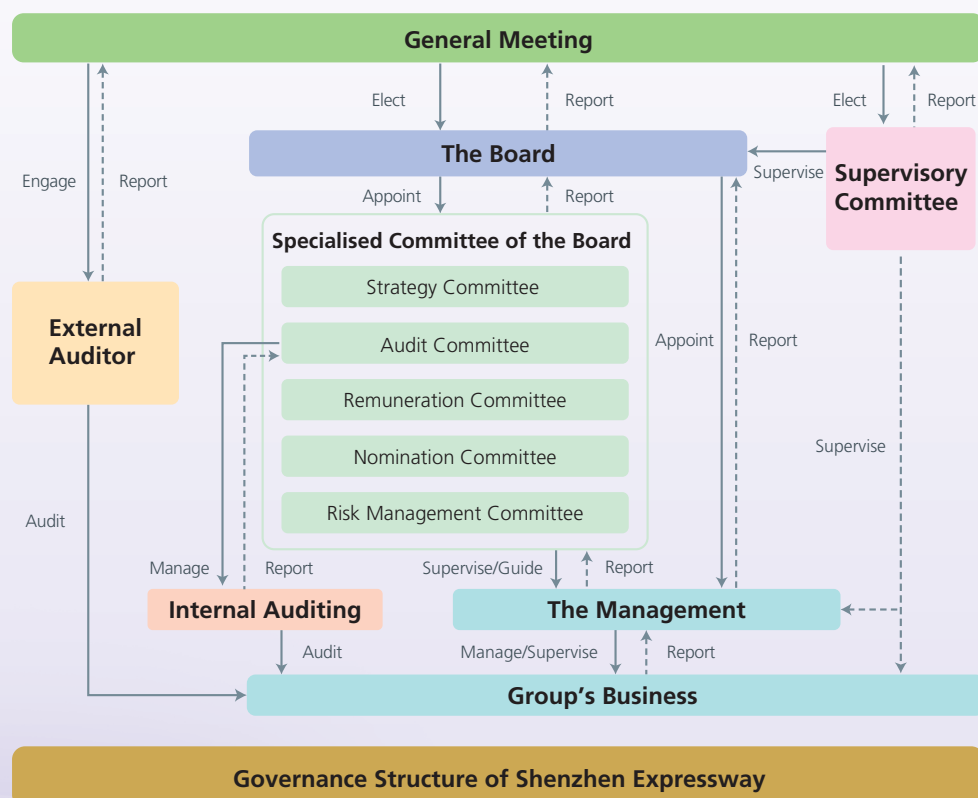
I. Description of the Overall Corporate Governance

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

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

II. Corporate Governance Structure and Rules

The Company has set up a corporate governance structure which comprises the general meeting, the Board, the Supervisory Committee and the management, of which the Board of Directors has set up five specialised committees, namely the Strategy Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee, with members appointed by the Board of Directors in line with the term of office of the Directors. The Company formulated multi-tier governance rules based on the Articles of Association, covering overall policies, principles and standards on corporate governance, compliance and the code of conduct, aiming to clearly define the duties, terms of reference and code of conduct of all parties.



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

The implementation of the management system of insiders:

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



CORPORATE GOVERNANCE SUMMARY

III. Information on General Meetings

In 2024, four general meetings were held by the Company at the conference room of the Company, one for A/H class each, as detailed below:

Name of the meeting	Convening date	Query index on designated websites for the resolutions	Disclosing date of resolutions	Resolution of the meeting
The first extraordinary general meeting in 2024	20 February 2024	Available on the websites of SSE (http://www.sse.com.cn), and the HKEx (http://www.hkexnews.hk), and the Company's website for H-share market announcements (https://expressway.aconnect.com.hk).	21 February 2024	<p>The following proposals were considered and passed as ordinary resolutions at the meeting:</p> <ol style="list-style-type: none"> 1. Proposal on the by-election of directors for the ninth session of the Board of the Company; 2. Proposal on the by election of Independent Non-executive Directors for the ninth session of the Board of the Company.
The second extraordinary general meeting in 2024	11 June 2024		12 June 2024	<p>The following proposals were considered and passed as ordinary resolutions at the meeting:</p> <ol style="list-style-type: none"> 1. Proposal on investment in the reconstruction and expansion project of the He'ao-Shenzhen Airport section of the Shenyang-Haikou National Expressway.
2023 annual general meeting	25 June 2024		26 June 2024	<p>The following proposals were considered and passed as ordinary resolutions at the meeting:</p> <ol style="list-style-type: none"> 1. The report of the directors for the year 2023; 2. The report of the Supervisory Committee for the year 2023; 3. The audited accounts for the year 2023; 4. The proposed distribution scheme of profits for the year 2023 (including the declaration of final dividend); 5. The budget report for the year 2024; 6. The proposal in relation to the appointment of the auditor for 2024; 7. The proposal in relation to providing guarantees for subsidiaries; <p>The following proposals were considered and passed as special resolutions at the meeting:</p> <ol style="list-style-type: none"> 8. The proposal in relation to the grant of a general mandate to the Board to issue bond financing tools was considered and approved item by item;

Name of the meeting	Convening date	Query index on designated websites for the resolutions	Disclosing date of resolutions	Resolution of the meeting
The third extraordinary general meeting of 2024	20 September 2024		21 September 2024	<p>The meeting will consider and approve Proposals 2-3 below through ordinary resolutions, and Proposal 1 through special resolutions:</p> <ol style="list-style-type: none"> 1. The proposal on the extension of the effective period of the resolution and authorisation for issuing A-shares to specific targets; 2. Proposal on the Plan of Shareholders' Return of the Company for 2024-2026; 3. Proposal on the construction contracts for contract sections 1, 5 and 6 of the main part of the Jihe Expressway reconstruction and expansion project.
The first class meeting of holders of A-shares in 2024				<p>The following proposals were considered and passed as special resolutions at the meeting:</p> <ol style="list-style-type: none"> 1. The proposal on the extension of the effective period of the resolution and authorisation for issuing A-shares to specific targets.
The first class general meeting of H-shares in 2024				<p>The following proposals were considered and passed as special resolutions at the meeting:</p> <ol style="list-style-type: none"> 1. The proposal on the extension of the effective period of the resolution and authorisation for issuing A-shares to specific targets.



CORPORATE GOVERNANCE SUMMARY

IV. Performance of Duties by Directors

(I) Attendance of Directors at the Board Meetings and General meetings in 2024

Directors off position as at the end of the Reporting Period	Position	Attendance at the Board Meetings					Attendance at the General Meetings (Attendance in person/Total number of meetings)
		Total number of meetings	Attendance in person	Attendance by proxy	Absence	Attendance rate in person	
Liao Xiang Wen	Executive Director	11	11	0	0	100%	4/4
Yao Hai	Executive Director	8	7	1	0	88%	2/3
Wen Liang	Executive Director	11	8	3	0	73%	3/4
Dai Jing Ming	Non-executive Director	11	10	1	0	91%	3/4
Li Xiao Yan	Non-executive Director	11	8	3	0	73%	1/4
Li Fei Long	Independent Director	11	11	0	0	100%	4/4
Miao Jun	Independent Director	11	11	0	0	100%	4/4
Xu Hua Xiang	Independent Director	11	10	1	0	91%	4/4
Yan Yan	Independent Director	8	8	0	0	100%	3/3

Directors off position as at the end of the Reporting Period	Position	Attendance at the Board Meetings					Attendance at the General Meetings (Attendance in person/Total number of meetings)
		Total number of meetings	Attendance in person	Attendance by proxy	Absence	Attendance rate in person	
Bai Hua	Independent Director	3	3	0	0	100%	1/1
Wang Zeng Jin	Executive Director	3	0	3	0	0%	0/1
Lü Da Wei	Non-executive Director	10	10	0	0	100%	4/4

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

(II) Attendance of Directors at the Meetings of the Specialised Committees in 2024

Directors in service as at the end of the Reporting Period	Position held in the specialised committees during the Reporting Period	Attendance (Attendance in person/Total number of meetings)							
		Strategy Committee (enlarged meeting)	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee	Independent Director Meetings	Special Meeting ^{Note 3}	Independent Director Meetings ^{Note 4}
Liao Xiang Wen	Member of the Strategy Committee Member of the Risk Management Committee	4/4	^{Note 12}	Not applicable	Not applicable	4/4	Not applicable	1/1	Not applicable
Yao Hai	Member of the Nomination Committee	Not applicable	Not applicable	Not applicable	3/3	Not applicable	Not applicable	Not applicable	Not applicable
Wen Liang	Member of the Risk Management Committee	^{Note 11}	^{Note 14}	Not applicable	Not applicable	4/4	Not applicable	Not applicable	Not applicable
Dai Jing Ming	Member of the Strategy Committee	^{Note 22} 4	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Li Xiao Yan	Member of the Audit Committee Member of the Remuneration Committee	^{Note 11}	^{Note 23} 6	7/7	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Li Fei Long	Chairman of the Audit Committee Member of the Strategy Committee Member of the Remuneration Committee Member of the Nomination Committee	^{Note 23} 4	6/6	7/7	4/4	Not applicable	3/3	1/1	2/2
Miao Jun	Chairman of the Nomination Committee Member of the Strategy Committee Member of the Audit Committee	4/4	6/6	Not applicable	4/4	Not applicable	3/3	1/1	2/2
Xu Hua Xiang	Chairman of the Risk Management Committee Member of the Remuneration Committee	^{Note 12}	^{Note 11}	7/7	Not applicable	4/4	3/3	1/1	2/2
Yan Yan	Member of the Audit Committee Member of the Risk Management Committee	^{Note 12}	5/5	Not applicable	Not applicable	4/4	3/3	1/1	1/1



CORPORATE GOVERNANCE SUMMARY

Directors off position as at the end of the Reporting Period	Position held in the specialised committees during the Reporting Period	Attendance (Attendance in person/Total number of meetings)							
		Strategy Committee (enlarged meeting)	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee	Independent Director Meetings	Special Meeting ^{Note 3}	Independent Director Meetings ^{Note 4}
Bai Hua	Chairman of the Audit Committee Member of the Remuneration Committee Member of the Nomination Committee	Not applicable	1/1	1/1	1/1	Not applicable	Not applicable	Not applicable	1/1
Wang Zeng Jin	Member of the Risk Management Committee	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Lü Da Wei	Member of the Strategy Committee	^{Note 2} 2/3	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

- Attendance as a non-voting member.
- Absent from the meetings:
 Director Dai Jing Ming was unable to attend the first and third meeting of the Strategy Committee in 2024 due to business engagements;
 Director Li Xiao Yan was unable to attend the first, third and sixth meetings of the Audit Committee in 2024 due to business engagements, and entrusted Independent Directors Bai Hua, Li Fei Long and Li Fei Long to attend the meetings and express opinions for her, respectively;
 Director Lü Da Wei was unable to attend the first meeting of the Strategy Committee in 2024 due to business engagements;
 Independent Director Li Fei Long was unable to attend the first meeting of the Strategy Committee in 2024 due to business engagements;
- One special meeting was held for the person chiefly responsible and Independent Directors of the Company by the Company during the Reporting Period.
- Two special meetings were held for the Independent Directors during the Reporting Period.

(III) Performance of Duties by Independent Directors

The Independent Directors gave no dissent to the resolutions/matters discussed by the Board or specialised committees of the Company. In 2024, no Independent Director of the Company proposed to convene any Board meeting or general meeting. The four Independent Directors of the Company serves as chairmen or members in the specialised committees of the Board. The chairmen of the Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee are all held by Independent Directors, and Independent Directors accounted for more than half of the members of the Audit Committee, Remuneration Committee, and Nomination Committee. During the Reporting Period, the four Independent Directors of the Company gave full play to their professional advantages and management experience, and fulfilled their duties in various specialised committees faithfully. In accordance with regulatory requirements and guidelines, they held special meetings of Independent Directors to review the Company's connected transactions in advance, participated actively in decision-making on major matters of the Company, and provided constructive opinions on the Company's business development, strategic planning, financial reporting, internal control, risk control, etc. They fully exercised the role of Independent Directors, providing effective supervising and balance to protect the overall interests of the Company and shareholders. For details of the annual performance of duties by the four Independent Directors, please refer to the 2024 Personal Duty Report of the four Independent Directors (Chinese version) released by the Company on the websites of the exchanges on the Reporting Date.

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

In 2024, the specialised committees of the Board convened 25 meetings in total. For the composition of each specialised committee and the attendance at the committee meetings during the year, please refer to the content of “Performance of Duties by Directors” above.

(I) Strategy Committee

The Strategy Committee was established in November 2001, responsible for studying the directions of the Company’s strategic development, considering the Company’s strategic plans, monitoring and evaluating the implementation of strategies, investment plans and proposals, and facilitating research and adjustments to the Company’s strategies and governance structure on a timely basis.

In 2024, the Strategy Committee held four meetings in total, and its major tasks during the year included:

- reviewing the 2023 Strategic Development Review Report of Shenzhen Expressway;
- reviewing and revising the Terms of Reference of the Strategy Committee;
- reviewing the proposal for the replacement of Bay Area Development M&A financing matter, and submitting the review opinion to the Board;
- reviewing the investment proposal for the reconstruction and expansion project of the He’ao-Shenzhen Airport section of the Shenyang-Haikou National Expressway, and the capital increase of Guangzhou-Shenzhen-Zhuhai Expressway Company to invest in the GS Expressway reconstruction and expansion project, and submitting the review opinion to the Board.

(II) Audit Committee

The Audit Committee was established in August 1999, mainly responsible for the independent review and assessment of the Company’s financial reporting and the quality and efficiency of internal control, and for supervising the control and routine management of connected transactions of the Company.

In 2024, the Audit Committee held six meetings in total, and actively conducted work and performed duties focusing on the goals set at the beginning of the year, reviewed the periodic reports, internal control reports, other reports under the HKEx’s Corporate Governance Code and the effectiveness of the internal control system of the Group, and provided the Company with professional opinions and suggestions on various aspects including financial reporting, relevant accounting policies and estimates, audit work, corporate governance, risk management and internal control.



CORPORATE GOVERNANCE SUMMARY

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

- reviewing the Group's periodical financial statements, including the audited financial statements for 2023, and the Q1, interim and Q3 unaudited financial statements of 2024, and making suggestions to the Board for approval;
- assisting the Board in making independent evaluations on the effectiveness of the Group's internal control;
- reviewing and revising the Terms of Reference of the Audit Committee;
- supervising and guiding the internal audit work;
- supervising control and routine management work of connected transactions;
- supervising the Group's risk management and anti-fraud work;
- evaluating the auditor's work during the year and proposing renewal suggestions.

The related work of and opinions on the Group's review on financial statements, internal control and auditors are set out in "Corporate Governance Report" and "Internal Control" in this annual report. For details of the performance of duties by the Audit Committee during the year, please refer to the 2024 Duty Report of the Audit Committee (Chinese version) released by the Company on the websites of the exchanges on the Reporting Date.

(III) Remuneration Committee

The Remuneration Committee was established in November 2001, responsible for assisting the Board to review the remuneration policies and incentive mechanism of the Company on an on-going basis, devising the appraisal standards for the directors and senior management of the Company and conducting appraisals thereof, and ensuring that none of the directors, senior management or their associates (as defined in the Listing Rules of the HKEx) was involved in setting his/her own remuneration. The committee makes recommendations to the Board regarding the remuneration of the Directors and senior management, and the remuneration of the Directors and senior management shall be specifically determined at general meetings or by the Board.

In 2024, the Remuneration Committee held seven meetings in total, and its major tasks during the year included:

- reviewing the proposal for the remuneration of the senior management in 2021 and 2022;
- reviewing the proposal on revising the Management Measures for Special Contribution Rewards and the estimated remuneration of the directors, supervisors and senior management in 2023;
- reviewing and revising the Terms of Reference of the Remuneration Committee;

- reviewing the proposal on the Management Measures for Performance Evaluation and Remuneration for the senior management, and submitting the review opinion to the Board;
- reviewing the performance evaluation plan, evaluation results and their application for senior management for the year 2023 and the office term 2021-2023, and submitting the review opinion to the Board;
- reviewing the performance of the Executive Directors in 2024 and the terms of their service contracts;
- reviewing the management performance self-evaluation for the year 2023, and the setting of individual performance evaluation goals for the management and senior management for the year 2024, and submitting the review opinion to the Board.

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

(IV) Nomination Committee

The Nomination Committee was established in November 2001, responsible for examining the Company’s human resources development strategies and plans, and conducting studies and providing recommendations in respect of candidates, nomination criteria and procedures for the directors and senior management of the Company.

In 2024, the Nomination Committee held four meetings in total, and its major tasks during the year included:

- reviewing and revising the Terms of Reference of the Nomination Committee;
- reviewing the appropriateness of the nomination process, and selection and recommendation criteria adopted for director candidates;
- considering the proposal for director candidate nomination;
- considering the proposal on the appointment of the Vice President of the Group.

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

(V) Risk Management Committee

The Risk Management Committee was established in August 2004, responsible for formulating policies on risk management of the Group, ensuring that the management has established a comprehensive and effective risk management system, supervising the Group’s overall risk status, regularly reviewing and assessing the Group’s risk management plans and reviews, as well as material risk matters, and conducting risk analysis and monitoring of the Company’s significant projects, among other duties.



CORPORATE GOVERNANCE SUMMARY

In 2024, the Risk Management Committee held four meetings in total, and its major tasks during the year included:

- reviewing the annual risk review report and risk management plans of the Group, understanding changes of risks for the Group and the implementation of risk response measures, and discussing major risks for the Group in the future and the response measures with the management;
- reviewing the Group's financial risk warning indicators and warning interval report, and paying constant attention to significant changes in the warning indicators;
- reviewing and revising the Terms of Reference of the Risk Management Committee;
- reviewing the proposal for the reconstruction and expansion project of the He'ao-Shenzhen Airport section of the Shenyang-Haikou National Expressway, and submitting the review opinion to the Board;
- reviewing major risk assessment reports regularly, and paying constant attention to the implementation of the Company's risk management system;
- reviewing the 2024 compliance management evaluation report, and directing the building of the Group's compliance management system.

VI. Work of the Supervisory Committee

In 2024, the Supervisory Committee held eight meetings in total, and the Supervisors also attended all the general meetings and Board meetings. They considered or reviewed matters including the regular reports, financial accounts and budget reports, proposed profit distribution, impairment provision accrual, changes in accounting estimates, the reduction of the total amount of fundraising by issuing A-shares to specific targets, the extension of the validity period of the resolution and authorisation for issuing A-shares to specific targets, Plan of Shareholders' Return of the Company for 2024-2026, and connected transactions, and supervised the legality and compliance of the decision-making procedures of general meetings and Board meetings, the implementation of the resolutions of the general meetings, the implementation of the Company's profit distribution policy, the disclosure of regular reports and other information, the performance of duties by the directors and senior management, and the implementation of relevant securities regulatory requirements. During the Reporting Period, there was no occurrence about which the Supervisors disputed with the directors or sued the directors on behalf of the Company. The Supervisory Committee has no objection to the matters under their supervision during the Reporting Period.

CORPORATE GOVERNANCE REPORT

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

- ☑ The job requirements for Independent Directors are clearer and more specific, and it is stipulated that their term of re-election shall not exceed six years, and in principle, they shall serve as independent directors in a maximum of three domestic listed companies;
- ☑ Disclosure of the remunerations of all Directors, Supervisors and senior management on a named basis in the annual report;
- ☑ Appointment of an external auditor for the audit on the internal control of the financial reporting;
- ☑ Preparation and publication of quarterly results announcements;
- ☑ Establishment of the Risk Management Committee, the risk control and management system for the Group as well as financial risk warning system to exercise regular control and reporting by the Company, etc.

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

A. Corporate Goal, Strategy and Governance

A.1 Corporate strategy, business model and culture

The code provisions that we complied with

A.1.1~A.1.2

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

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

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

The Company has discussed and analysed the performance of the Group in its annual report every year, including the impact of the internal and external environments on the operation of the Company and its movement trend, the actual operating results and its influencing factors for the year, the completion of business plan and the plan for next year etc.

CORPORATE GOVERNANCE REPORT

A.2 Corporate governance functions

The code provisions that we complied with	A.2.1
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The Board is responsible for the performance of its duties on corporate governance. It also established five specialised committees, namely the Strategy Committee, Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee. The Articles of Association of the Company and the Rules of Procedures for the Board of Directors have clearly defined the powers of the Board in respect of development strategies, management structure, investment and financing, business planning, financial budgeting, financial reporting, risk control, human resources, corporate governance, etc., as well as the supervision and inspection powers over the Company’s development and operation. Each specialised committee has its terms of reference which explicitly explain and define its duties and powers, which have been approved by the Board. In 2024, the Company further revised the terms of reference of the five specialised committees of the Board in accordance with the Management Measures for Independent Directors of Listed Companies implemented by the CSRC in September 2023, and by reference to the relevant regulations of the Shenzhen SASAC, improved the powers of each specialised committee, identified the functional departments that provided work support for each specialised committee, and standardised the rules of procedures of each specialised committee, thereby further improving the level of corporate governance.

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

In 2024, the Board regularly received reports on the review of the rules on governance, the compliance in operation of the Company, the Directors’ compliance in performance of duties, and the training and growth of employee, and constantly monitored the compliance and effectiveness of corporate governance. Moreover, the Audit Committee also reviewed the Company’s periodical reports, internal control evaluation report and the specialised internal audit reports submitted by the Audit Department.

B. The Composition and Nomination of the Board

B.1 Composition, succession and appraisal of the Board

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

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

The term of office of the ninth session of the Board of the Company is from 1 January 2021 to 31 December 2023. The Company issued an announcement on the postponement of the term-end election of the Board on 27 December 2023: Since the nomination of candidates for the new Board has not been completed, the term-end election of the Board will be postponed in order to ensure the continuity and stability of relevant work of the Board; before the completion of the term-end election of the Board, all members of the ninth session of the Board will continue to perform their duties in accordance with laws, regulations, the Articles of Association of the Company, etc. As of the date of this report, the Board had 10 members, including Executive Directors Xu En Li, Liao Xiang Wen, Yao Hai, and Wen Liang, Non-executive Directors Wu Yan Ling and Zhang Jian, and Independent Non-executive Directors Li Fei Long, Miao Jun, Xu Hua Xiang, and Yan Yan. The Board members come from various industry backgrounds with professional expertise in enterprise management, project management, highways, energy, financial, finance, law, administration and human resources, etc., and three of them (including two Independent Directors) possess professional financial and accounting qualifications. The members of the Board have various industry backgrounds and maintain diversity in terms of various aspects including knowledge, experience, professional skills, allowing the Board to analyse and discuss issues from different perspectives and make decisions in a more cautious and careful manner.

The Company has established the Board diversity policy. Under the policy, the Board shall take full consideration of the actual situation and development needs of the Company when selecting, evaluating and nominating candidates, and follow the diversity principle when forming the Board. The Board shall consider and assess the diversification of members in the aspects of age, cultural background, educational background, professional experience and expertise and the length of service, and authorise the Nomination Committee to oversee the implementation of the policy, and when appropriate, review the policy, and expand and review measurable targets. In recent years, based on the diversification practices for Board members of the Company and the specific provisions of the Listing Rules of the HKEx, the Board further revised and improved the diversity policy for Board members, and defined measurable targets to be achieved in the selection of Board candidates, including the composition of Board members with different industry/professional backgrounds, the structure of Independent Directors, that at least two Board members shall have worked for the Company or served as Directors for three years or more, and that there shall be at least one female and one male director in the Board. During the Reporting Period, the Board nominated four director candidates and one Independent Director candidate, including two female candidates. The composition of the ninth session of the Board has well demonstrated the diversity principle of the Company.

The Company complies strictly with the applicable laws and regulations, including the Labor Law of the People's Republic of China, keeps establishing and improving policies on employment management, maintains reasonable and legal employment, and provides equal employment and development opportunities to employees of different genders, backgrounds and regions. As at the end of the Reporting Period, the gender ratio of all employees (including senior management) of the Company was 61:39. The Company will keep improving the policies on human resources, recruitment and employment management, adhere to the principle of diversification and fully leverage its advantages. For details of the Company's diversified employment policy and employee structure, please refer to the Environmental, Social and Governance Report 2024 of the Company.

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



CORPORATE GOVERNANCE REPORT

The Company reviews and concludes the performance of the Board annually in terms of its major tasks, operation and financial information, as well as the participation of actual implementation of corporate governance during the year, and ultimately formulates a Report of the Directors to report to shareholders at the general meetings. In 2024, each Independent Director of the Company submitted an annual work report to the general meeting. The annual general meeting of the Company evaluates the performance of duties by the Board.

The Board of the Company comprises four Independent Directors, representing not less than one-third of the number of members of the Board, which complies with the relevant regulatory requirements. The Board has obtained written confirmations from all Independent Directors concerning their independence in accordance with the requirements under Rule 3.13 of the Listing Rules of the HKEx, and issued the Special Opinion on the Self-check on the Independence of the Independent Directors. The Company believes that all Independent Directors have complied with the relevant guidelines as stipulated in such rule and are regarded as independent parties during 2024.

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

B.2 Appointment, re-election and removal

The code provisions that we complied with	B.2.1~B.2.4
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According to the provisions of the Articles of Association and its appendixes, Directors are elected or replaced by the general meeting. The shareholders of the Company, the Board or the Supervisory Committee are/is eligible to nominate candidates for directorship. The term of office for Directors is three years, and upon expiry of the term, their appointment is subject to re-submission for consideration at a general meeting and they may offer themselves for re-election. Independent Directors are eligible for re-election, subject to a maximum term of six years. A cumulative voting system is adopted for the election of the Directors of the Company, and the Independent Directors and Non-independent Directors vote separately. The requirements of the Company on the qualifications and basic qualities of the Directors, the ways of nomination and the proposing procedures are set out in the Rules of Procedures for the Board of Directors of the Company. The Nomination Committee is responsible for qualification inspections and quality assessments on the candidates for directorship, as well as making proposals to the Board and providing explanations at the general meetings. In order to make the shareholders have a better understanding of the procedures of nomination of Directors, the Company has extracted the relevant clauses for the procedures of nomination of Directors separately and has posted them on the Company’s H-share market website. The term of office of the members of the ninth session of the Board and the Supervisory Committee of the Company expired on 31 December 2023. As the nomination of candidates for the new Board and Supervisory Committee of the Company has not been completed, the term-end election of the new Board and Supervisory Committee will be postponed. As such, Provision B.2.2 of the Corporate Governance Code which stipulates that each director (including directors with a designated term of office) shall retire by rotation at least once every three years was not complied with.

B.3 Nomination Committee

The code provisions that we complied with

B.3.1~B.3.4

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

In 2024, the Nomination Committee reviewed the qualifications of Mr. Yao Hai, Mr. Yan Yan, Mr Xu En Li, Ms Wu Yan Ling, and Ms Zhang Jian and nominated them to the Board. Mr. Yao Hai and Mr. Yan Yan were appointed as an Executive Director and an Independent Non-executive Director of the Company by the general meeting held on 20 February 2024, respectively, and obtained a legal opinion from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules of the HKEx before their appointment took effect on the same day, confirming their understanding of their responsibilities as directors of the listed company. Mr. Xu En Li has been appointed as an Executive Director of the Company, while Ms. Wu Yan Ling and Ms. Zhang Jian have been appointed as Non-executive Directors. Prior to their formal appointment, Mr. Xu En Li, Ms. Wu Yan Ling, and Ms. Zhang Jian have obtained legal opinion from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules of the HKEx on 8 January 2025, 8 January 2025 and 9 January 2025, confirming their understanding of their responsibilities as directors of the listed company.

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

C.1 Responsibilities of Directors

The code provisions that we complied with

C.1.1~C.1.8

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

Attendance of Directors (including attendance by appointing other Directors as proxies) at the Board meetings in 2024 was 100%, while attendance in person was 89%. Attendance in person at the meetings of the specialised committees of the Board (including the meetings of the Independent Directors) was 95%. Attendance in person at the general meetings was 80%. Please refer to “Corporate Governance Summary” in this annual report for the details of the attendance of Directors and the overview of the performance of duties of the Independent Directors during the Year.

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



CORPORATE GOVERNANCE REPORT

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

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

In 2024, Executive Directors Liao Xiang Wen and Yao Hai attended the special training on the necessity to promote the optimisation and restructuring of existing listed companies organised by the China Association for Listed Companies; Executive Director Yao Hai attended the initial training for directors, supervisors and senior management of listed companies organised by the SSE; Executive Director Wen Liang attended the follow-up training for CFOs of listed companies organised by China Capital Market Institute; Independent Directors Li Fei Long, Miao Jun, Xu Hua Xiang, and Yan Yan attended the special training on the interpretation of the Guidelines for the Performance of Duties of Independent Directors of Listed Companies (Amended) organised by the China Association for Listed Companies; Independent Director Yan Yan attended the follow-up training for independent directors held by the SSE; all directors and supervisors of the Company attended the training of Performance of Duties by Directors, Supervisors and Senior Management Members from the Perspective of the New Company Law organised by the Party School of the Shenzhen SASAC. The Company issued one Collection of Reference Documents for the Board within the year, systematically summarising and conveying regulatory documents related to the duty performance and responsibilities of directors, and forwarded 73 relevant laws, regulations and normative documents related to listed companies and the industry. In addition, through guided document reading and explanation, the key points of the relevant rules and the matters of concern to directors/supervisors were explained, prompted and interpreted. The above measures allowed the Board and the Supervisory Committee to continuously and effectively learn the relevant regulations and guidelines promulgated or updated by regulatory authorities, and provided practical support for the continuous updating of the knowledge and information required for the performance of their duties as Directors/Supervisors.

As approved and authorised by the general meeting, the Company has taken out liability insurance for the Directors, Supervisors and senior management, and adequate insurance for legal actions that the management may face every year since 2008 in order to promote the Company’s resilience to risk, protect the legal rights and interests of the shareholders, and build a professional risk prevention mechanism for the management.

C.2 Chairman and Chief Executive Officer

The code provisions that we complied with

C.2.1~C.2.9

The Company clearly defines the duties between the Chairman and the President, so that the functions of the Board and management are separated to ensure the balance of power and authority. Due to the retirement and resignation of Mr. Hu Wei, the former Chairman in December 2022, in order to ensure the integrity of the Company's governance structure and the smooth conduct of day-to-day work, the Board of the Company elected Executive Director and President Mr. Liao Xiang Wen to lead the Board temporarily in December 2022 until the date of election of the new chairman by the Board. On 9 January 2025, Mr. Xu En Li was elected as the Chairman of the Company at the 50th meeting of the ninth session of the Board.

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

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

The Board encourages directors to maintain a cautious attitude and create an open discussion atmosphere, encouraging directors with different opinions to fully express their views and opinions, and promoting directors, especially Non-executive Directors, to make objective and prudent decisions on board deliberations, in order to make effective contributions to the Company's strategy and policy formulation. In 2024, one special meeting was convened by the Company for the Executive Director and Chairman, and the Independent Directors to fully discuss the Company's operational management, corporate governance, future development strategy, etc. The Company has set up a well-established governance structure and formulated multi-tier governance rules. Please refer to "Corporate Governance Summary" in this annual report and A.1 above for details.

C.3 Management functions

The code provisions that we complied with

C.3.1~C.3.3

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

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



CORPORATE GOVERNANCE REPORT

Without material prejudice to or impairment of the overall capability to perform duties and authorities of the Board, the Board has granted certain authorities to the Executive Directors, so as to enhance the overall decision-making quality and efficiency. The Board has also formulated the Rules of Procedures for the Executive Directors to monitor and manage authorised matters by establishing a mechanism on procedural management, filing and regular reviews. Specific information and management procedures relating to authorisation have been clearly set out in the Articles of Association and the Rules of Procedures for the Board of Directors. In 2024, the Executive Directors held 13 meetings in total, during which they discussed and made decisions on matters regarding project investment and disposal, financing management, bank account opening, assets review and filing, etc. within their authorisation. Resolutions for such matters have been reported to the Board and Supervisory Committee in time.

C.4 Committees under the Board

The code provisions that we complied with	C.4.1~C.4.2
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Five specialised committees have been set up under the Board, and each committee has its terms of reference, which explicitly explain and define their duties and powers, and they have been approved by the Board. These specialised committees are responsible for reviewing and monitoring specific matters of the Company, such as the Company's strategies, financial reports, accounting policies and estimates, internal control system operation, project investments, risk management, nomination of directors and executives, evaluation and remuneration, etc., and making corresponding suggestions to the Board. As of the date of this report, the composition of each specialised committee of the Board of the Company is set out as follows:

	Strategy Committee	Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee
Chairman:	Xu En Li Executive Director	Li Fei Long Independent Director	Li Fei Long Independent Director	Miao Jun Independent Director	Xu Hua Xiang Independent Director
Member:	Liao Xiang Wen Executive Director Li Fei Long Independent Director Miao Jun Independent Director	Miao Jun Independent Director Yan Yan Independent Director	Xu Hua Xiang Independent Director Wen Liang Executive Director	Li Fei Long Independent Director Xu Hua Xiang Independent Director Xu En Li Executive Director Yao Hai Executive Director	Liao Xiang Wen Executive Director Wen Liang Executive Director Yan Yan Independent Director

Each specialised committee receives work support from the corresponding functional department of the Company, and has appointed the head of that department to be the secretary of the committee. Each specialised committee has defined the procedures for meetings and reporting in accordance with the Rules of Procedures for the Board of Directors. The meeting minutes of the committees contain the details of the matters discussed in the meetings and are maintained properly according to the file management system of the Company upon the confirmation of all members. The chairman of each committee reports the work progress to the Board regularly and submits the relevant minutes for record. In 2024, the five specialised committees of the Company convened 25 meetings in total. For details, please refer to "Corporate Governance Summary" in this annual report.

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

The code provisions that we complied with

C.5.1~C.5.10

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

In 2023, the Board convened 11 plenary meetings, 13 Executive Directors' meetings and signed five written resolutions of the Board. It has discussed and made decisions on issues covering the Group's financial reporting, operational analysis, budget execution, annual risk management planning, regular review and monitoring, business development and challenges, investment and financing plans, changes to accounting estimates, related/connected transactions, director nomination, senior management appointment, remuneration, performance, etc. During the Reporting Period, when considering proposals, the Directors who had material interest in the same had complied with the avoidance principle and abstained from voting. For example, when the Board was considering proposals related to the approval of the annual remuneration of senior management members, proposals related to the annual self-evaluation results of the management of the Group, and proposals related to personal performance evaluation goals of the Group's management and senior management, all relevant directors abstained from voting; when considering related/connected transactions such as the proposal to renew the shortfall make-up agreement with CMF Fund and the proposal to extend the effective period of the general meeting resolution and authorisation for issuing A-shares to specific targets, the directors holding office in Shenzhen International Group (excluding the Group) and other directors holding interests declared their interests to the Board and abstained from voting.

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

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



CORPORATE GOVERNANCE REPORT

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

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

- Reported the progress of the material matters of the Group on the meetings of the Board;
- For major investment and financing projects, important work reports, and other matters, organised communication meetings of the Board in advance to report detailed information on relevant topics to the Directors and Supervisors, answer their questions, collect their opinions and suggestions, thereby improving the proposal materials of the Board meetings;
- Arranged annual and semi-annual work report meetings and quarterly operational analysis meetings, where the management team provides a detailed report on the completion of the Group's current work, next stage work plan, budget execution, operational and financial status, as well as the progress of major tasks including project construction, and project investment and capital;
- Organised the Directors and Supervisors to conduct on-site inspections of highway projects under construction and in operation to support them gain a deeper understanding of the Group's relevant businesses and a clearer comprehension of the Group's strategic layout and development prospects;
- Dispatched Operation Information Monthly to the Directors and Supervisors, which regularly reports information such as the operation performance of highway projects, the progress of construction projects and major tasks, updates on investees, monitoring of the early warning indicators of financial risks and work progress during adjournments of Board meetings;
- Arranged the Directors and Supervisors to participate in the trainings held by securities regulatory authorities, industry associations, and state-owned asset management departments, and provided consultation of laws and regulations for the Directors/Supervisors in need, allowing them to comprehensively and systematically understand the relevant regulatory requirements and governance principles of the company's stock listing location;
- Keep tracking the implementation status or progress of resolution matters of the general meeting, Board, and executive Board. This information is presented to all Directors and Supervisors as part of the board meeting materials before each Board meeting and reported at each board meeting. The Board understands the implementation and execution of Board decision-making matters timely through such arrangements, so as to urge the management and adjust decisions based on the actual situation when necessary.

C.6 Company Secretary

The code provisions that we complied with

C.6.1~C.6.4

The Secretary of the Board of the Company, who is appointed by the Board and reports to the Chairman of the Board for daily routines, is a senior management member of the Company. The Secretary to the Board is responsible for the communication and coordination among the Company, Directors and the shareholders, overseeing the drafting of corporate governance system documents, information disclosure, and investor relationship management. The Secretary to the Board of the Company is Ms. Zhao Gui Ping, and the Joint Company Secretaries are Ms. Zhao Gui Ping and Ms. Lam Yuen Ling Eva. In 2024, Ms. Zhao Gui Ping and Ms. Lam Yuen Ling Eva have completed not less than 15 hours of related training sessions in total so as to keep their professional knowledge and skills up-to-date.

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

D. Audit, Internal Control and Risk Management

D.1 Financial reporting

The code provisions that we complied with

D.1.1~D.1.4

The recommended best practise(s) that we complied with
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D.1.5~D.1.6

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



CORPORATE GOVERNANCE REPORT

Statement of the Responsibilities towards the Financial Statements of the Board:

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

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

D.2 Risk Management and Internal Control

The code provisions that we complied with	D.2.1~D.2.7
The recommended best practise(s) that we complied with	D.2.8~D.2.9

The Board has established the Risk Management Committee, which is chaired by an Independent Director. Please refer to C.4 above and “Corporate Governance Summary” in this annual report for details of the composition of the Risk Management Committee and its performance of duties. The Terms of Reference of the Risk Management Committee approved by the Board has been published on the websites of the exchanges and the Company’s H-share market website. The Company provided the committee with sufficient resources for its performance of duties. During the Reporting Period, the Risk Management Committee did not seek for independent professional advice for the performance of duties.

Having a comprehensive and practical internal control system is the basis of good corporate governance. The Company has established a relatively sound internal control system, with the Board responsible for monitoring the effectiveness of important control procedures in finance, operations, compliance and risk management. During the Reporting Period, the Board carried out reviews on the soundness and effectiveness of the internal control system of the Group and approved the “2024 Internal Control Evaluation Report,” which included but not limited to the aspects required by D.2.3 of the code provisions. In addition, the Company engaged auditors to audit the effectiveness of internal control relating to the financial reporting of the Company and issued an “Internal Control Audit Report,” providing the Board with independent and objective assessment and recommendation on internal control. Please refer to “Internal Control” in this annual report for the details of the establishment of the internal control and risk management system of the Company, the Statement of the Responsibilities of the Board, the self-assessment, key deficiencies (if any) and the audit.

Since August 2000, the Company has established the Audit Department, and has carried out an independent internal audit system, and conducted supervision, audit, and evaluation of the Group’s operating and management activities and the effectiveness of the internal control system. Internal audit personnel have the authority to access all information about the Company and make inquiries to relevant personnel at work. The General Manager of the Audit Department reports the result of his work to the Audit Committee, and the Audit Committee will then make recommendation to the Board of Directors or management of the Company and examines the implementation of the rectification plan through follow-up inspection.

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

D.3 **Audit Committee**

The code provisions that we complied with	D.3.1~D.3.7
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The Board has established the Audit Committee comprising Non-executive Directors, with the majority being Independent Directors and chaired by an accounting professional among the Independent Directors. The Audit Committee is responsible for the review and supervision of the financial accounting policies, the compliance of financial reporting; the evaluation of the soundness and effectiveness of the internal control system of the Company, supervision of fraudulent risk and management measures of the Company; responsible for the coordination with the work of the auditor and the evaluation of its efficiency and quality of work as well as its engagement; the review on the internal audit report and the management’s rectification measures and implementation status; and auditing the Company’s control and daily management of connected transactions. Works falling under the scope of risk management are handled by the Risk Management Committee under the Board. Please refer to C.4 above and “Corporate Governance Summary” in this annual report for details of the compositions of the Audit Committee and Risk Management Committee, and their respective performance of duties. The Terms of Reference of the Audit Committee approved by the Board has been published on the websites of the exchanges and the Company’s H-share market website. The Company provided the committee with sufficient resources for its performance of duties. During the Reporting Period, the Audit Committee did not seek for independent professional advice for the performance of duties.



CORPORATE GOVERNANCE REPORT

The committee reviewed the periodic financial statements for the year 2024 and made recommendation to the Board for approval. The specific works of the committee included the following:

- The committee reviewed the interim and the quarterly financial statements of the Group, received the report on the review/agreed-upon procedures from the auditor and discussed the handling methods of significant financial and accounting matters with the management and the auditor.
- Before the annual audit, the committee held meetings with the auditor and discussed the composition of its audit team members, risks of the year, scope of audit, method of audit, focus of audit and the schedule for the annual audit in order to understand the overall work arrangements of the annual financial statements of the Company.
- During the annual audit process, the committee maintained on-going communication with the management and the auditor, and discussed and confirmed how to handle significant financial and accounting matters of the Group, the appropriateness of the accounting policies adopted and the reasonableness of the accounting estimates.
- The committee supervised the completion of the annual audit by the auditor as scheduled and reviewed the Group's annual financial statements and issued its written opinions. The Audit Committee held two meetings in early 2025 (up to the Reporting Date), and held a separate communication meeting with the auditor in the absence of the Company's management to ensure the objectivity and independence of the auditor's opinions. Based on the results of relevant work and with reference to the audit opinions of the auditor, the committee is of the view that the Group's 2024 annual financial statements truthfully and reasonably reflected the operating results and financial position of the Group for the year, and thus recommend the Board to approve the same.

The report of the auditor:

Upon approval by the general meeting, the Company has appointed Deloitte as its auditor for the year 2024 to audit the annual financial reports and internal control, and assume the due duties of an international auditor as specified in the Listing Rules of the HKEx. Deloitte had been appointed by the Company as its statutory auditor from 2021, which has provided audit services to the Group for four consecutive years.

The remunerations of the Company's auditor for the year 2024 are set out as follows:

(Unit: RMB'000)	2024	2023
Financial statements audit/review fees	2,980	3,000
Internal control audit fees	450	450
Other	2,188	1,524

Notes:

1. The auditor has submitted to the Company a written confirmation letter in respect of the total amount of the aforementioned remunerations.
2. Other services provided by Deloitte in 2024 included project audit and related letter issuance, etc.

Save as the above-mentioned, a total of 74 wholly-owned or controlled subsidiaries of the Company, including Bay Area Development, have hired KPMG, KPMG Huazhen LLP (Special General Partnership) Shenzhen Branch, BDO China Shu Lun Pan CPAs (Special General Partnership) Shenzhen Branch, LIF & Wong CPA Limited, etc. to provide annual financial statement auditing services. The audit fees for the year 2024 were RMB1.97 million and HK\$50,000.

The Audit Committee is responsible for supervising and evaluating the completion of the annual audit and the practising quality of the auditor, making recommendations to the Board in respect of the appointment or replacement of the auditor, and submitting these to the general meeting for the approval or authorisation. According to the requirements of the Management Measures for the Selection of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4) jointly issued by the Ministry of Finance, the SASAC of the State Council, and the CSRC, the Company evaluated the audit work and practising quality of Deloitte in 2024, and issued an evaluation report; the Audit Committee supervised Deloitte's audit performance in 2024 and issued a special report. The Audit committee is of the view that Deloitte has the qualification and ability to provide annual report audits for the Company, and has adhered to the principle of independence during the audit process, and completing the audit related work on time. For details, please refer to the Evaluation Report on the Performance of Duties by KPMG Huayong LLP (Special General Partnership), and the Report on the Supervision of the Performance of Duties by Accounting Firms by the Audit Committee of the Board of Directors, disclosed by the Company on the websites of the SSE (<http://www.sse.com.cn>), the HKEx (<http://www.hkexnews.hk>) and the Company's H-share market website (<https://expressway.aconnect.com.hk>).



CORPORATE GOVERNANCE REPORT

E. Remuneration

E.1 Standard and composition of remuneration and its disclosure

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

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

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

F. Shareholders Engagement

F.1 Effective communication

The code provisions that we complied with	F.1.1
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The Company has been complying with the principle of equal treatment of all investors, and established a smooth communication channel with investors while observing various regulations relating to information disclosure by maintaining an effective two-way communication with investors through various channels. Please refer to “Investor Relations” in this annual report and F.2 below for details.

According to the Articles of Association, provided that the cash dividend distribution conditions are met, the Company shall distribute cash dividends annually. The profit distributed by cash by the Company for the year shall not be less than 20% of the distributable profit for the year, and the profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years.

According to the Plan of Shareholders’ Return for 2024-2026 approved by the Company’s general meeting, provided that the conditions for cash dividend distribution are fulfilled, and the capital demand for the Company’s normal operation and development is met, the profit proposed to be distributed by the Company in cash during 2024-2026 will be not less than 55% of the net profit attributable to shareholders of the parent company pursuant to the consolidated financial statements of the year, net of the profit distributable to holders of other equity instruments such as perpetual bonds (if any).

The Company regularly discloses the details of total number of shares, categories of shareholders, substantial shareholders and market value of the shares held by the public. Please refer to “Share Capital and Shareholders” in this annual report for details.

F.2 General meetings

The code provisions that we complied with

F.2.1~F.2.3

The Company encourages all shareholders to attend the general meetings. In 2024, four general meetings were held by the Company, one for A/H shares each. For details, please refer to “Corporate Governance Summary” in this annual report.

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

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



CORPORATE GOVERNANCE REPORT

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

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

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

INTERNAL CONTROL

I. Statement of Responsibilities towards Internal Control

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

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

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

II. Establishment of the Internal Control System

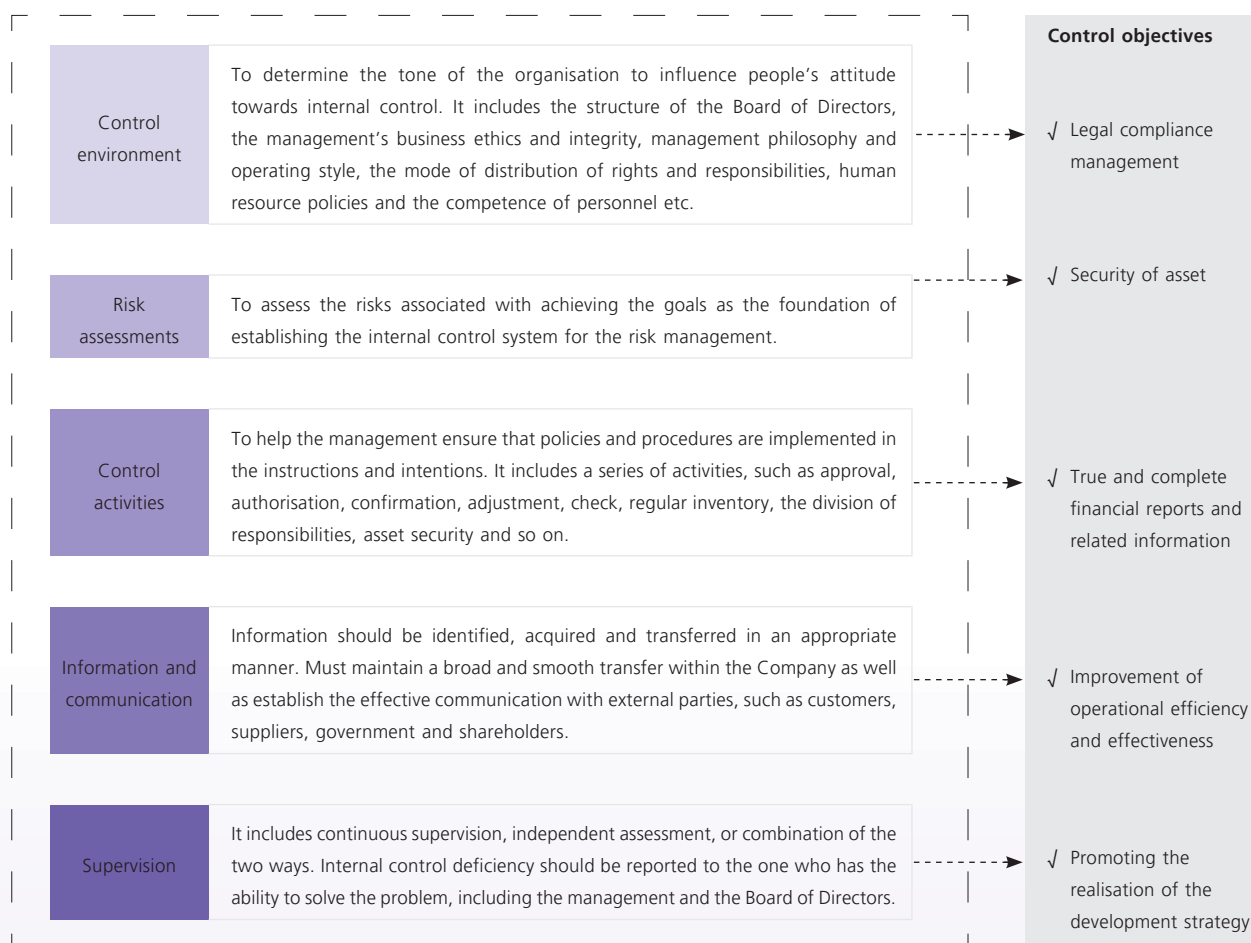
The Company always focuses on the standardisation of its internal management. It has established a comprehensive management system and the practical rules for various layers of business operation and management to ensure the standardization and efficiency of the Company.

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

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



INTERNAL CONTROL



III. Risk Management

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

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

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

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

According to the relevant requirements of the Corporate Internal Control Standard System which is based on the Basic Standard for Enterprise Internal Control, along with the Company's internal control system and assessment measures, the Board had assessed the effectiveness of the Company's internal control during the reporting period and issued 2024 Assessment Report at 31 December 2024 (the base date of the Assessment Report) on Internal Control based on routine monitoring and special supervision, and it is agreed that the company's risk management and internal supervising systems are sufficient and effective. Based on the identification of significant deficiencies in internal control of the company's financial reporting, as of the evaluation report base date, there are no significant deficiencies in internal control of financial reporting. The board believes that the company has maintained effective internal control of financial reporting in all material aspects in accordance with the requirements of the enterprise's internal control standard system and relevant regulations; According to the identification of significant deficiencies in non-financial reporting internal control of the company, as of the evaluation report base date, the company has not found any significant deficiencies in non-financial reporting internal control; Between the base date of the self-evaluation report and the issuance date of the 2024 Internal Control Evaluation Report, the company has not experienced any factors that affect the conclusion of the internal control effectiveness evaluation.

The Assessment Report for Internal Control 2024 of the Company (Chinese version) has been published on the websites of the SSE (<http://www.sse.com.cn>), the HKEx (<http://www.hkexnews.hk>) and the H-share market website of the Company (<https://expressway.aconnect.com.hk>).

V. Description on Internal Control Audit

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



INVESTOR RELATIONS

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

I. Information Disclosure

Credible information disclosure can effectively build a bridge of communication and understanding between the Company and its investors, the regulatory authorities and the public. This can facilitate a broader and more thorough understanding of the Company's values. According to the fundamental principles of openness, impartiality and fairness, the Company has been strictly complying with the requirements of the relevant laws, regulations, and the Listing Rules, and fulfilling the information disclosure obligations. The Company takes the initiative to understand investors' concerns and voluntarily discloses information in response to these concerns, so as to increase its transparency.

In 2024, the Company timely completed the preparation and disclosure of its annual, interim and quarterly reports, and published over 400 announcements and other shareholders' documents and materials in both English and Chinese, disclosing in detail information on various aspects such as the deliberations of the Board, the Supervisory Committee and general meetings, dividend distribution, communication with investors, corporate governance, operating conditions, and operating results, as well as investment and financing arrangements. The Company acted, on its own accord, to disclose its monthly operational statistics by way of announcements and adds other voluntary information disclosures based on business progress. The Company also maintained to provide in-depth analyses on its operating and financial positions as well as the major factors affecting its business performance in its annual reports with a view to strengthening investors' understanding about the operation, management and development trends of the Company.

II. Ongoing Communication

On the basis of a competent disclosure of information, the Company maintains effective two-way communication with investors through various channels: communicating with investors on areas of their concern in a compliant basis to enhance their understanding of the Company; meanwhile, widely collecting investors' opinions and suggestions to feedback to the Management, striving to improve the Company's governance and operational management level.

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

- Disclosing the investor hotline and investor relations e-mailbox, setting up an SSE e-interactive online column, and promptly understanding and responding to investor inquiries. In 2024, the Company replied to over 100 investor inquiries by telephone, e-mail and website message.

Investor Hotline: (86) 755-8669 8069
 Investor Relations Email Box:
 ir@sz-expressway.com
 Company website: <http://www.sz-expressway.com>
 H-share market website of the Company:
<https://expressway.aconnect.com.hk>

- Actively responding to investors' visits and research requests by combining offline and online methods, communicating with investors with an open attitude on a compliance basis, and continuously optimising roadshow presentation materials focusing on investors' concerns. During the Reporting Period, the Company received nearly 50 batches of investor research.
- The Company held or participated in various forms of A/H-share market presentation activities actively, including performance briefings, online investor meetings, road shows, and investor conferences organised by brokers and intermediaries. To facilitate the convenience and effectiveness of communication activities, the Company's performance briefing adopts multiple participation channels including on-site and online synchronous live streaming and playback, as well as teleconference. The Management introduces the Company's strategy, operating performance, and business plans to investors, focusing on issues of common concern to investors, highlighting relevant risks for uncertain matters, enabling investors to fully understand the operational status of each business segment of the Company. The Company organises or participates in various roadshows and investor communication meetings in line with market demands and business development needs, presenting the Company's operating conditions to investors and assisting them in understanding the Company's development strategy and management philosophy. During the Reporting Period, the Company completed four series of performance release activities and participated in nearly 70 roadshows and investor communication meetings.
- Timely updating information and materials on the Group's operations and development. In 2024, the Company prepared and updated over 20 presentation materials on the Company's performance and business progress, introducing investors to the Company's interim operational management status and project operational performance, and responding to issues of concern to investors.
- The Company also timely handled and replied to investors' messages through the "e-interaction" platform developed by the SSE for listed companies and investors.

The Board of the Company has reviewed the implementation of the Company's shareholder communication policy for 2024. Taking into account the aforementioned communication channels for investors and the communication measures already taken by the Company, it is believed that the shareholder communication policy for 2024 has been effectively implemented.

III. Shareholder Return

The Company has been paying back its shareholders ever since its establishment, which is underpinned by the payment of cash dividends for 27 consecutive years for an aggregate amount of approximately RMB14.437 billion.

The Board of the Company has proposed a final cash dividend of 0.244 (tax included) per share for 2024. The above proposal will be submitted to the 2024 Annual General Meeting of the Company for approval. For details of the dividend, and the policy and payment of cash dividends of the Company, please refer to "Financial Analysis" in "Management Discussion and Analysis" of this annual report.





AUDITOR'S REPORT AND 2024 FINANCIAL STATEMENTS

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

AUDITOR'S REPORT

De Shi Bao (Shen) Zi (25) No. P03129

TO THE SHAREHOLDERS OF SHENZHEN EXPRESSWAY CORPORATION LIMITED,

I. OPINION

We have audited the financial statements of Shenzhen Expressway Corporation Limited ("Shenzhen Expressway Company"), which comprise the consolidated and Company's statements of financial position as at 31 December 2024, and the consolidated and Company's statements of profit or loss and other comprehensive income, the consolidated and Company's statements of cash flows and the consolidated and Company's statements of changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared and present fairly, in all material respects, the consolidated and Company's financial position of Shenzhen Expressway Company as at 31 December 2024, and the consolidated and Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Shenzhen Expressway Company in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine the followings are key audit matters in need of communication in our report.

III. KEY AUDIT MATTERS (CONTINUED)

Amortization of franchise rights associated with toll roads

As disclosed in Note V, 19 (3) to the financial statements, as at 31 December 2024, the carrying amount of the franchise rights of Shenzhen Expressway Company associated with toll roads was RMB20,212,937,378.25, and the amortization amount in 2024 was RMB1,510,881,177.27. The franchise rights of Shenzhen Expressway Company associated with toll roads are amortized over the operating period of the toll roads according to the traffic volume method. As to the amortization of franchise rights associated with toll roads, the amortization amount per standard traffic volume is calculated based on total standard traffic volume predicted during the operating period of each toll road and the carrying amount of the franchise rights associated with toll roads, then the franchise rights are amortized based on the actual traffic volume during each accounting period and the unit amortization amount. The total projected traffic volume refers to the forecast of the management of Shenzhen Expressway Company for the total traffic volume during the operating period, which is a significant accounting estimate. Therefore, we identified the amortization of franchise rights associated with toll roads as a key audit matter audited in the consolidated financial statements.

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

- (1) Testing and evaluating the operating effectiveness of key internal controls associated with the amortization of the franchise rights;
- (2) Inspecting the reasonableness of the calculations on actual traffic volume data applied by Shenzhen Expressway Company during the amortization of the franchise rights;
- (3) Assessing the independence and professional competence of the third-party organization employed by Shenzhen Expressway Company for the purpose of performing traffic volume forecast;
- (4) Obtaining the traffic volume forecast report issued by the third-party organization, understanding the method for predicting the traffic volume in the future operating period, and evaluating the reliability of the traffic volume forecast by comparing the projected traffic volume in the past years with the actual traffic volume during the period;
- (5) Recalculating the amortization of the franchise rights to verify the amortization amount of such franchise rights for accuracy.



AUDITOR'S REPORT

IV. OTHER INFORMATION

The management of Shenzhen Expressway Company is responsible for other information. Other information comprises the information included in the 2024 Annual Report of Shenzhen Expressway Company, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The management of Shenzhen Expressway Company is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements in accordance with the Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shenzhen Expressway Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shenzhen Expressway Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and evaluate whether the financial statements fairly represent the underlying transactions and events.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Shenzhen Expressway Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



AUDITOR'S REPORT

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report if the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP

Chinese Certified Public Accountant
(Engagement Partner)

Shanghai, China
21 March 2025

Chinese Certified Public Accountant

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024
(RMB)

Item	Note	31 December 2024	31 December 2023
Current assets:			
Cash at banks and on hand	V. 1	2,908,582,010.43	2,152,367,633.05
Transactional financial assets	V. 2	129,822,937.64	468,792,208.25
Bills receivable	V. 3	1,390,389.45	500,000.00
Accounts receivable	V. 4	957,468,799.75	967,487,093.08
Prepayments	V. 5	245,482,362.49	248,083,582.06
Other receivables	V. 6	834,685,738.81	602,215,140.81
Including: Interest receivable		–	–
Dividends receivable		135,000,000.00	–
Inventories	V. 7	1,095,373,567.67	1,355,564,013.49
Including: Data resources		–	–
Contract assets	V. 8	370,627,842.43	394,910,901.30
Non-current assets due within one year	V. 9	435,993,394.13	264,774,570.13
Other current assets	V. 10	664,411,813.94	497,079,323.91
Total current assets		7,643,838,856.74	6,951,774,466.08
Non-current assets:			
Long-term prepayments	V. 11	1,312,579,150.71	356,732,998.46
Long-term receivables	V. 12	3,200,026,120.96	2,334,935,756.66
Long-term equity investments	V. 13	19,755,383,217.22	18,715,822,120.74
Other non-current financial assets	V. 14	970,911,383.44	895,069,302.26
Investment properties	V. 15	21,555,137.78	23,033,992.33
Fixed assets	V. 16	7,400,304,937.58	7,328,858,518.97
Construction in progress	V. 17	84,895,316.16	289,690,234.44
Right-of-use assets	V. 18	32,059,636.65	66,201,181.97
Intangible assets	V. 19	24,843,637,234.03	26,809,094,107.69
Including: Data resources		–	–
Development expenditures		6,261,136.18	6,261,136.18
Including: Data resources		–	–
Goodwill	V. 20	202,893,131.20	202,893,131.20
Long-term prepaid expenses		16,591,623.55	39,044,962.13
Deferred tax assets	V. 21	130,376,684.28	271,445,109.37
Other non-current assets	V. 22	1,936,717,382.10	3,216,612,072.29
Total non-current assets		59,914,192,091.84	60,555,694,624.69
Total assets		67,558,030,948.58	67,507,469,090.77



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(RMB)

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings	V. 24	2,573,849,184.49	11,105,625,836.85
Transactional financial liabilities	V. 25	197,664,719.66	148,117,309.14
Bills payable	V. 26	870,678,402.08	89,735,513.24
Accounts payable	V. 27	2,987,806,080.65	2,588,545,523.67
Advances from customers	V. 28	787,138.81	623,460.97
Contract liabilities	V. 29	61,712,837.98	67,149,275.34
Employee benefits payable	V. 30	358,646,437.71	378,691,400.83
Taxes payable	V. 31	357,520,856.69	462,043,523.14
Other payables	V. 32	1,169,000,291.23	1,059,445,155.50
Including: Interest payable		—	—
Dividends payable		85,013,326.10	5,622,222.18
Non-current liabilities due within one year	V. 33	2,544,252,549.95	2,392,022,913.00
Other current liabilities	V. 34	3,053,377,031.15	1,534,478,767.90
Total current liabilities		14,175,295,530.40	19,826,478,679.58
Non-current liabilities:			
Long-term borrowings	V. 35	13,912,273,334.21	9,567,707,809.79
Bonds payable	V. 36	10,194,223,064.28	7,159,103,456.71
Including: Preferred stock		—	—
Perpetual bonds		—	—
Lease liabilities	V. 37	15,896,203.85	45,614,131.00
Long-term payables	V. 38	387,586,715.85	907,277,866.27
Long-term employee benefits payable	V. 39	115,649,911.45	115,649,911.45
Provisions	V. 40	242,043,881.88	203,121,139.63
Deferred revenue	V. 41	297,036,753.87	388,675,627.57
Deferred tax liabilities	V. 21	859,181,851.16	1,148,490,784.95
Other non-current liabilities		157,272,992.24	146,667,698.70
Total non-current liabilities		26,181,164,708.79	19,682,308,426.07
Total liabilities		40,356,460,239.19	39,508,787,105.65

Item	Note	31 December 2024	31 December 2023
Shareholders' equity:			
Equity	V. 42	2,180,770,326.00	2,180,770,326.00
Other equity instruments	V. 43	4,000,000,000.00	4,000,000,000.00
Including: Preferred stock		—	—
Perpetual bonds		4,000,000,000.00	4,000,000,000.00
Capital reserve	V. 44	4,392,194,420.15	4,389,338,761.93
Other comprehensive income	V. 45	(762,550,544.98)	(542,304,991.67)
Surplus reserve	V. 46	3,506,925,959.18	3,218,191,232.88
Undistributed profits	V. 47	8,586,181,562.92	9,112,002,127.97
Total equity attributable to shareholders of the Company		21,903,521,723.27	22,357,997,457.11
Minority interests		5,298,048,986.12	5,640,684,528.01
Total shareholders' equity		27,201,570,709.39	27,998,681,985.12
Total liabilities and shareholders' equity		67,558,030,948.58	67,507,469,090.77

The attached notes form part of the financial statements

The financial statements are signed by the following persons:

Xu Enli
Head of the Company

Zhao Guiping
Chief financial officer

Jiang Weiqi
Head of accounting department



COMPANY'S STATEMENT OF FINANCIAL POSITION

As at 31 December 2024
(RMB)

Item	Note	31 December 2024	31 December 2023
Current assets:			
Cash at banks and on hand		794,946,519.13	526,318,877.01
Accounts receivable	XV. 1	75,279,449.66	73,932,293.18
Prepayments		5,680,684.69	10,851,866.07
Other receivables	XV. 2	3,793,798,079.56	3,324,788,193.27
Including: Interest receivable		–	–
Dividends receivable		431,020,860.00	703,407,059.90
Inventories		593,459.50	591,398.10
Including: Data resources		–	–
Contract assets		113,565,166.03	111,898,136.37
Other current assets		24,174,784.27	–
Total current assets		4,808,038,142.84	4,048,380,764.00
Non-current assets:			
Long-term prepayments		779,727,076.20	258,402,486.55
Long-term receivables		304,175,000.00	2,008,175,000.00
Long-term equity investments	XV. 3	35,323,723,539.55	26,127,544,368.66
Other non-current financial assets		914,697,766.50	841,464,700.63
Investment properties		8,919,992.76	9,495,717.00
Fixed assets		2,066,123,244.83	2,086,300,959.83
Construction in progress		9,381,711.70	46,724,482.36
Right-of-use assets		13,210,490.61	18,999,909.06
Intangible assets		2,706,621,666.63	2,015,580,732.15
Including: Data resources		–	–
Development expenditures		6,261,136.18	6,261,136.18
Including: Data resources		–	–
Long-term prepaid expenses		3,037,238.72	3,732,576.83
Deferred tax assets		24,057,356.02	–
Other non-current assets		387,124,463.42	368,811,126.55
Total non-current assets		42,547,060,683.12	33,791,493,195.80
Total assets		47,355,098,825.96	37,839,873,959.80

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings		134,640,937.92	–
Bills payable		423,600,694.25	–
Accounts payable		493,126,985.19	116,630,776.46
Contract liabilities		60,739,625.54	60,739,625.54
Employee benefits payable		136,991,167.02	143,245,422.77
Taxes payable		23,242,869.14	21,430,635.58
Other payables		4,404,954,338.28	3,734,241,864.01
Including: Interest payable		–	–
Dividends payable		3,911,111.11	5,622,222.18
Non-current liabilities due within one year		905,242,173.46	1,654,878,086.36
Other current liabilities		3,029,402,207.33	1,512,594,613.40
Total current liabilities		9,611,940,998.13	7,243,761,024.12
Non-current liabilities:			
Long-term borrowings		6,023,653,160.00	1,596,400,000.00
Bonds payable		10,194,223,064.28	7,159,103,456.71
Including: Preferred stock		–	–
Perpetual bonds		–	–
Lease liabilities		8,823,827.27	14,486,248.66
Long-term payables		387,586,715.85	824,596,715.85
Long-term employee benefits payable		69,919,951.40	69,919,951.40
Provisions		57,613,555.38	67,707,852.92
Deferred revenue		144,657,812.51	183,957,215.19
Deferred tax liabilities		231,093,972.26	181,660,957.43
Total non-current liabilities		17,117,572,058.95	10,097,832,398.16
Total liabilities		26,729,513,057.08	17,341,593,422.28
Shareholders' equity:			
Equity		2,180,770,326.00	2,180,770,326.00
Other equity instruments		4,000,000,000.00	4,000,000,000.00
Including: Preferred stock		–	–
Perpetual bonds		4,000,000,000.00	4,000,000,000.00
Capital reserve		1,878,291,070.83	1,873,257,038.28
Other comprehensive income		910,912,836.61	892,136,387.81
Surplus reserve		3,506,925,959.18	3,218,191,232.88
Undistributed profits		8,148,685,576.26	8,333,925,552.55
Total shareholders' equity		20,625,585,768.88	20,498,280,537.52
Total liabilities and shareholders' equity		47,355,098,825.96	37,839,873,959.80

The attached notes form part of the financial statements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(RMB)

Item	Note	2024	2023
I. Operating income	V. 48	9,245,691,487.27	9,295,304,371.69
Less: Cost of services	V. 48	6,324,398,914.59	5,949,383,743.38
Taxes and surcharges	V. 49	58,255,077.49	41,369,684.77
Selling expenses	V. 50	12,695,619.32	19,785,837.28
General and administrative expenses	V. 51	460,063,900.96	483,182,984.76
Research and development expenses	V. 52	32,930,598.54	33,476,802.52
Financial expenses	V. 53	1,038,239,432.75	1,240,206,520.74
Including: Interest expenses		1,059,816,553.01	1,229,267,889.23
Interest income		74,813,910.38	70,660,968.01
Add: Other income	V. 54	23,458,044.24	45,830,015.97
Investment income	V. 55	1,025,126,072.04	1,504,853,457.48
Including: Income from investment in associates and joint ventures	V. 55	851,136,509.69	1,477,767,743.34
Gains from changes in fair value	V. 56	2,641,777.05	153,607,037.26
Credit impairment gains (losses)	V. 57	(199,772,289.08)	(100,207,670.89)
Impairment gains (losses) of assets	V. 58	(384,274,263.80)	(132,225,841.52)
Gains on disposal of assets		8,829,712.78	13,654,355.39
II. Operating profit		1,795,116,996.85	3,013,410,151.93
Add: Non-operating income	V. 59	11,191,213.62	7,585,183.99
Less: Non-operating expenses	V. 60	47,881,798.18	105,361,709.00
III. Total profit		1,758,426,412.29	2,915,633,626.92
Less: Income tax expenses	V. 61	540,213,476.26	529,802,587.92
IV. Net profit		1,218,212,936.03	2,385,831,039.00
(I) Classified by business continuity			
1. Net profit from continuing operations		1,218,212,936.03	2,385,831,039.00
2. Net profit from discontinued operations		–	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company		1,145,048,951.69	2,327,197,196.81
2. Profit or loss attributable to minority shareholders		73,163,984.34	58,633,842.19

Item	Note	2024	2023
V. Other comprehensive income, net of tax		(239,342,233.16)	(145,778,080.16)
(I) Other comprehensive income after tax attributable to shareholders of the Company		(220,245,553.31)	(134,292,785.62)
1. Other comprehensive income that cannot be subsequently reclassified to profit or loss		–	–
2. Other comprehensive income that will be reclassified to profit or loss		(220,245,553.31)	(134,292,785.62)
(1) Other comprehensive income that will be transferred to profit or loss under the equity method	V. 45	36,679,872.53	28,746,332.31
(2) Translation differences of financial statements denominated in foreign currencies	V. 45	(256,925,425.84)	(163,039,117.93)
(II) Other comprehensive income after tax attributable to minority shareholders		(19,096,679.85)	(11,485,294.54)
VI. Total comprehensive income		978,870,702.87	2,240,052,958.84
Total comprehensive income attributable to shareholders of the Company		924,803,398.38	2,192,904,411.19
Total comprehensive income attributable to minority shareholders		54,067,304.49	47,148,547.65
VII. Earnings per share			
(I) Basic earnings per share (RMB/share)		0.441	0.982
(II) Diluted earnings per share (RMB/share)		0.441	0.982

The attached notes form part of the financial statements.



COMPANY'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(RMB)

Item	Note	2024	2023
I. Operating income	XV. 4	2,172,210,374.80	1,771,671,550.26
Less: Cost of services	XV. 4	1,258,468,957.49	892,714,673.15
Taxes and surcharges		18,233,426.65	6,887,271.19
General and administrative expenses		252,290,939.79	262,166,568.02
Financial expenses		485,604,568.31	386,903,180.07
Including: Interest expenses		528,748,953.37	442,060,588.44
Interest income		84,234,928.92	109,922,451.04
Add: Other income		2,801,382.03	2,181,096.03
Investment income	XV. 5	1,404,610,273.58	2,773,130,927.47
Including: Income from investment in associates and joint ventures		358,112,888.34	909,712,848.03
Gains from changes in fair value		73,233,065.87	132,128,040.19
Credit impairment gains (losses)		—	—
Impairment gains (losses) of assets	XV. 6	(96,229,424.09)	—
Gains on disposal of assets		559,397.34	13,379,959.71
II. Operating profit		1,542,587,177.29	3,143,819,881.23
Add: Non-operating income		1,004,784.22	204,200.02
Less: Non-operating expenses		9,339,954.88	6,117,020.54
III. Total profit		1,534,252,006.63	3,137,907,060.71
Less: Income tax expenses		48,622,466.18	64,004,242.23
IV. Net profit		1,485,629,540.45	3,073,902,818.48
(I) Net profit from continuing operations		1,485,629,540.45	3,073,902,818.48
(II) Net profit from discontinued operations		—	—
V. Other comprehensive income, net of tax		18,776,448.80	13,897,418.80
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		—	—
(II) Other comprehensive income that will be reclassified to profit or loss		18,776,448.80	13,897,418.80
1. Other comprehensive income that will be transferred to profit or loss under the equity method		18,776,448.80	13,897,418.80
VI. Total comprehensive income		1,504,405,989.25	3,087,800,237.28

The attached notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024
(RMB)

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from rendering services and selling goods		7,177,925,697.71	7,812,620,547.98
Refund of taxes		21,705,782.82	41,977,821.15
Other cash received relating to operating activities	V. 62(1)	193,524,731.78	395,897,077.51
Sub-total of cash inflows		7,393,156,212.31	8,250,495,446.64
Cash payments for goods and services		1,338,044,472.74	1,736,038,423.58
Cash payments to and on behalf of employees		1,076,636,904.47	1,074,794,018.85
Payments of taxes and surcharges		784,238,122.81	726,589,852.51
Other cash payments relating to operating activities	V. 62(1)	476,930,241.15	618,260,923.83
Sub-total of cash outflows		3,675,849,741.17	4,155,683,218.77
Net cash flows from operating activities	V. 63(1)1	3,717,306,471.14	4,094,812,227.87
II. Cash flows from investing activities:			
Cash received from recovery of investments		2,183,361,781.54	2,690,159,879.44
Cash received from returns on investments		630,212,585.65	756,986,014.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		864,244.90	13,341,014.23
Net cash received from disposals of subsidiaries and other business units		1,274,641,161.02	—
Other cash received relating to investing activities	V. 62(2)	462,004,269.90	230,945,853.78
Sub-total of cash inflows		4,551,084,043.01	3,691,432,762.05
Cash payments to acquire fixed assets, intangible assets and other long-term assets		2,059,360,750.59	2,093,942,304.33
Cash payments for investing activities		2,514,755,450.00	2,519,144,486.09
Other cash payments relating to investing activities	V. 62(2)	13,113,423.39	1,955,857.20
Sub-total of cash outflows		4,587,229,623.98	4,615,042,647.62
Net cash flows from investing activities		(36,145,580.97)	(923,609,885.57)



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(RMB)

Item	Note	2024	2023
III. Cash flows from financing activities:			
Cash received from capital contributions		–	4,200,000.00
Including: Cash received by subsidiaries from capital contributions by minority shareholders		–	4,200,000.00
Cash received from borrowings		23,330,617,299.88	18,496,043,223.26
Other cash received relating to financing activities	V. 62(3)	19,685,436.07	–
Sub-total of cash inflows		23,350,302,735.95	18,500,243,223.26
Cash repayments of borrowings		22,910,839,219.60	19,816,209,101.03
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,744,327,547.86	2,716,076,080.21
Including: Payments for distribution of dividends or profits to minority shareholders by subsidiaries		328,344,634.00	269,215,549.27
Other cash payments relating to financing activities	V. 62(3)	502,411,563.93	377,001,658.79
Sub-total of cash outflows		26,157,578,331.39	22,909,286,840.03
Net cash flows from financing activities		(2,807,275,595.44)	(4,409,043,616.77)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(158,611,869.09)	(3,941,165.62)
V. Net increase (decrease) in cash and cash equivalents	V. 63(1)2	715,273,425.64	(1,241,782,440.09)
Add: Cash and cash equivalents at the beginning of the year		1,955,220,227.32	3,197,002,667.41
VI. Cash and cash equivalents at the end of the year	V. 63(1)2	2,670,493,652.96	1,955,220,227.32

The attached notes form part of the financial statements.

COMPANY'S STATEMENT OF CASH FLOWS

For the year ended 31 December 2024
(RMB)

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from rendering services and selling goods		1,328,689,320.33	1,314,394,513.72
Refund of taxes		876,399.21	5,629,318.44
Other cash received relating to operating activities		32,588,029.68	59,798,827.84
Sub-total of cash inflows		1,362,153,749.22	1,379,822,660.00
Cash payments for goods and services		163,439,379.79	207,347,072.94
Cash payments to and on behalf of employees		266,825,804.84	259,796,985.55
Payments of taxes and surcharges		123,098,484.32	70,710,241.74
Other cash payments relating to operating activities		122,651,198.07	205,865,440.43
Sub-total of cash outflows		676,014,867.02	743,719,740.66
Net cash flows from operating activities		686,138,882.20	636,102,919.34
II. Cash flows from investing activities:			
Cash received from recovery of investments		1,210,600,879.16	1,185,665,704.62
Cash received from returns on investments		1,454,014,222.88	709,986,793.77
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		658,275.00	13,089,541.37
Net cash received from disposals of subsidiaries and other business units		1,397,449,491.52	—
Other cash received relating to investing activities		1,779,100,903.64	730,015,173.29
Sub-total of cash inflows		5,841,823,772.20	2,638,757,213.05
Cash payments to acquire fixed assets, intangible assets and other long-term assets		505,332,147.75	470,187,518.23
Cash payments for investing activities		11,528,069,733.71	900,000,000.00
Other cash payments relating to investing activities		—	273,175,000.00
Sub-total of cash outflows		12,033,401,881.46	1,643,362,518.23
Net cash flows from investing activities		(6,191,578,109.26)	995,394,694.82
III. Cash flows from financing activities:			
Cash received from borrowings		19,326,055,885.12	6,473,000,000.00
Other cash received relating to financing activities		494,160,658.46	872,750,607.47
Sub-total of cash inflows		19,820,216,543.58	7,345,750,607.47
Cash repayments of borrowings		11,036,650,280.00	8,176,159,282.85
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,817,584,826.12	1,635,809,277.97
Other cash payments relating to financing activities		1,193,303,170.83	339,941,793.02
Sub-total of cash outflows		14,047,538,276.95	10,151,910,353.84
Net cash flows from financing activities		5,772,678,266.63	(2,806,159,746.37)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(81,941.18)	4,941.40
V. Net increase (decrease) in cash and cash equivalents		267,157,098.39	(1,174,657,190.81)
Add: Cash and cash equivalents at the beginning of the year		525,515,187.29	1,700,172,378.10
VI. Cash and cash equivalents at the end of the year		792,672,285.68	525,515,187.29

The attached notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(RMB)

Item	2024									
	Attributable to shareholders of the Company									
	Equity	Other equity instruments Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total	Minority interests	Total shareholders' equity	
I. Balance on 31 December 2023	2,180,770,326.00	4,000,000,000.00	4,389,338,761.93	(542,304,991.67)	3,218,191,232.88	9,112,002,127.97	22,357,997,457.11	5,640,684,528.01	27,998,681,985.12	
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-
II. Balance on 1 January 2024	2,180,770,326.00	4,000,000,000.00	4,389,338,761.93	(542,304,991.67)	3,218,191,232.88	9,112,002,127.97	22,357,997,457.11	5,640,684,528.01	27,998,681,985.12	
III. Changes for the year	-	-	2,855,658.22	(220,245,553.31)	288,734,726.30	(525,820,565.05)	(454,475,733.84)	(342,635,541.89)	(797,111,275.73)	
(I) Total comprehensive income	-	-	-	(220,245,553.31)	-	1,145,048,951.69	924,803,398.38	54,067,304.49	978,870,702.87	
(II) Shareholders' contributions and reduction in capital	-	-	2,855,658.22	-	-	-	2,855,658.22	(26,355,669.84)	(23,500,011.62)	
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	
2. Others	-	-	2,855,658.22	-	-	-	2,855,658.22	(26,355,669.84)	(23,500,011.62)	
(III) Profit distribution	-	-	-	-	288,734,726.30	(1,670,869,516.74)	(1,382,134,790.44)	(370,347,176.54)	(1,752,481,966.98)	
1. Transfer to surplus reserve	-	-	-	-	288,734,726.30	(288,734,726.30)	-	-	-	
2. Profit distribution to shareholders	-	-	-	-	-	(1,382,134,790.44)	(1,382,134,790.44)	(370,347,176.54)	(1,752,481,966.98)	
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-	
1. Transfer of capital reserve to equity	-	-	-	-	-	-	-	-	-	
2. Transfer of surplus reserve to equity	-	-	-	-	-	-	-	-	-	
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-	
4. Others	-	-	-	-	-	-	-	-	-	
(V) Others	-	-	-	-	-	-	-	-	-	
IV. Balance on 31 December 2024	2,180,770,326.00	4,000,000,000.00	4,392,194,420.15	(762,550,544.98)	3,506,925,959.18	8,586,181,562.92	21,903,521,723.27	5,298,048,986.12	27,201,570,709.39	

		2023								
		Attributable to shareholders of the Company								Total shareholders' equity
Item		Equity	Other equity instruments Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total	Minority interests	
I.	Balance on 31 December 2022	2,180,770,326.00	4,000,000,000.00	4,390,599,135.60	(408,012,206.05)	3,103,651,659.99	8,079,278,802.54	21,346,287,718.08	6,014,620,231.70	27,360,907,949.78
	Add: Changes in accounting policies	-	-	-	-	-	2,179,848.75	2,179,848.75	1,049,902.99	3,229,751.74
II.	Balance on 1 January 2023 (Restated)	2,180,770,326.00	4,000,000,000.00	4,390,599,135.60	(408,012,206.05)	3,103,651,659.99	8,081,458,651.29	21,348,467,566.83	6,015,670,134.69	27,364,137,701.52
III.	Changes for the year	-	-	(1,260,373.67)	(134,292,785.62)	114,539,572.89	1,030,543,476.68	1,009,529,890.28	(374,985,606.68)	634,544,283.60
	(I) Total comprehensive income	-	-	-	(134,292,785.62)	-	2,327,197,196.81	2,192,904,411.19	47,148,547.65	2,240,052,958.84
	(II) Shareholders' contributions and reduction in capital	-	-	(1,260,373.67)	-	-	11,957,298.92	10,696,925.25	(152,918,605.06)	(142,221,679.81)
	1. Ordinary shares contributed by Shareholders	-	-	-	-	-	-	-	-	-
	2. Others	-	-	(1,260,373.67)	-	-	11,957,298.92	10,696,925.25	(152,918,605.06)	(142,221,679.81)
	(III) Profit distribution	-	-	-	-	114,539,572.89	(1,308,611,019.05)	(1,194,071,446.16)	(269,215,549.27)	(1,463,286,995.43)
	1. Transfer to surplus reserve	-	-	-	-	114,539,572.89	(114,539,572.89)	-	-	-
	2. Profit distribution to shareholders	-	-	-	-	-	(1,194,071,446.16)	(1,194,071,446.16)	(269,215,549.27)	(1,463,286,995.43)
	(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
	1. Transfer of capital reserve to equity	-	-	-	-	-	-	-	-	-
	2. Transfer of surplus reserve to equity	-	-	-	-	-	-	-	-	-
	3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
	4. Others	-	-	-	-	-	-	-	-	-
	(V) Others	-	-	-	-	-	-	-	-	-
IV.	Balance on 31 December 2023	2,180,770,326.00	4,000,000,000.00	4,389,338,761.93	(542,304,991.67)	3,218,191,232.88	9,112,002,127.97	22,357,997,457.11	5,640,684,528.01	27,998,681,985.12

The attached notes form part of the financial statements.



COMPANY'S STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(RMB)

Item	2024						
	Equity	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total Shareholders' equity
I. Balance on 31 December 2023	2,180,770,326.00	4,000,000,000.00	1,873,257,038.28	892,136,387.81	3,218,191,232.88	8,333,925,552.55	20,498,280,537.52
Add: Changes in accounting policies	-	-	-	-	-	-	-
II. Balance on 1 January 2024	2,180,770,326.00	4,000,000,000.00	1,873,257,038.28	892,136,387.81	3,218,191,232.88	8,333,925,552.55	20,498,280,537.52
III. Changes for the year	-	-	5,034,032.55	18,776,448.80	288,734,726.30	(185,239,976.29)	127,305,231.36
(I) Total comprehensive income	-	-	-	18,776,448.80	-	1,485,629,540.45	1,504,405,989.25
(II) Shareholders' contributions and reduction in capital	-	-	5,034,032.55	-	-	-	5,034,032.55
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Others	-	-	5,034,032.55	-	-	-	5,034,032.55
(III) Profit distribution	-	-	-	-	288,734,726.30	(1,670,869,516.74)	(1,382,134,790.44)
1. Transfer to surplus reserve	-	-	-	-	288,734,726.30	(288,734,726.30)	-
2. Profit distribution to shareholders	-	-	-	-	-	(1,382,134,790.44)	(1,382,134,790.44)
(IV) Others	-	-	-	-	-	-	-
IV. Balance on 31 December 2024	2,180,770,326.00	4,000,000,000.00	1,878,291,070.83	910,912,836.61	3,506,925,959.18	8,148,685,576.26	20,625,585,768.88

Item	2023						
	Equity	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance on 31 December 2022	2,180,770,326.00	4,000,000,000.00	1,894,077,082.82	878,238,969.01	3,103,651,659.99	6,568,408,579.38	18,625,146,617.20
Add: Changes in accounting policies	-	-	-	-	-	225,173.70	225,173.70
II. Balance on 1 January 2023 (Restated)	2,180,770,326.00	4,000,000,000.00	1,894,077,082.82	878,238,969.01	3,103,651,659.99	6,568,633,753.08	18,625,371,790.90
III. Changes for the year	-	-	(20,820,044.54)	13,897,418.80	114,539,572.89	1,765,291,799.47	1,872,908,746.62
(I) Total comprehensive income	-	-	-	13,897,418.80	-	3,073,902,818.48	3,087,800,237.28
(II) Shareholders' contributions and reduction in capital	-	-	(20,820,044.54)	-	-	-	(20,820,044.54)
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Others	-	-	(20,820,044.54)	-	-	-	(20,820,044.54)
(III) Profit distribution	-	-	-	-	114,539,572.89	(1,308,611,019.01)	(1,194,071,446.12)
1. Transfer to surplus reserve	-	-	-	-	114,539,572.89	(114,539,572.89)	-
2. Profit distribution to shareholders	-	-	-	-	-	(1,194,071,446.12)	(1,194,071,446.12)
(IV) Others	-	-	-	-	-	-	-
IV. Balance on 31 December 2023	2,180,770,326.00	4,000,000,000.00	1,873,257,038.28	892,136,387.81	3,218,191,232.88	8,333,925,552.55	20,498,280,537.52

The attached notes form part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024
(RMB)

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 21 March 2025.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Preparation basis

The Group implements the Accounting Standards for Business Enterprises and related regulations issued by the Ministry of Finance. In addition, the related financial information has been disclosed in accordance with the requirements of the *Rules on Preparation of Disclosures of Publicly Traded Company No. 15 – General Provisions on Financial Statements (Revised in 2023)*, *Hong Kong Companies Ordinance* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*.

Going concern

As of 31 December 2024, the Group and the Company had total current liabilities in excess of total current assets by RMB6,531,456,673.66 and RMB4,803,902,855.29, respectively, and the amount of capital commitments expected to be paid by the Group in the coming year amounted to RMB5,453,039,465.44. As at 31 December 2024, the Group and the Company had unused bank credit lines totaling RMB65,821,646,851.00 and RMB51,999,149,851.00, 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.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

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

Basis of accounting and principle of measurement

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

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

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

When the non-financial assets are measured at fair value, we should consider the market participants' ability of making economic benefits through applying the asset to the best use, or sell the assets to other market participants who can make economic benefits through applying the asset to the best use.

For financial assets whose transaction price is the fair value upon initial recognition and using valuation technique involving unobservable inputted value in subsequent measurement of fair values, the valuation technique should be adjusted during the valuation to make the results of initial recognition determined by valuation are 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 present truly and completely the consolidated and Company's financial position as at 31 December 2024, and the consolidated and Company's operating results, the consolidated and Company's changes in equity and the consolidated and Company's cash flows for the year ended 31 December 2024 in accordance with the Accounting Standards for Business Enterprises.

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. Except for real estate business, construction and agent-construction business in relation to Public-Private-Partnership ("PPP")/Engineering, Procurement, Construction ("EPC"), the operating cycle of the Group's business is relatively short, and therefore a period of 12 months is adopted as the criterion for classifying the liquidity of assets and liabilities. The operating cycle of the real estate business is generally longer than 12 months, starting from the commencement of property development to the collection of sales proceeds. The length of specific cycle is determined based on the circumstances of the development project, and the operating cycle is used as the criterion for classifying the liquidity of assets and liabilities. The operating cycle of PPP/EPC constructions and agent-construction business are generally longer than 12 months, starting from the commencement of the construction project to its completion settlement. The length of specific cycle is determined based on the circumstances of the development project, and the operating cycle is used as the criterion for classifying the liquidity of assets and liabilities.

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.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024
(RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

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

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 in the period in which they are incurred.

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 (Continued)

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 firstly 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 current period.

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

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

7.1 Determination criteria of control

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

7.2 Preparation of consolidated financial statements

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

The combination of subsidiaries begins with controlling the subsidiary by the Group, and ceases with the Group's losing control of the subsidiary.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

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)

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 income statement 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 income statement 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 income statement and consolidated statement of cash flows, as appropriate.

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

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

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority shareholders is presented as "profit or loss attributable to minority shareholders" in the consolidated income statement 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.

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)

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 'package deal': if it belongs to 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to 'package deal', transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquirees' shares held before acquisition date will be revalued, and the difference between fair value and carrying amount will be recognized in profit or loss of the current period; if acquirees' shares held before acquisition date involve in changes of other comprehensive income and other equity of owners under equity method, this will be transferred to income of acquisition date.

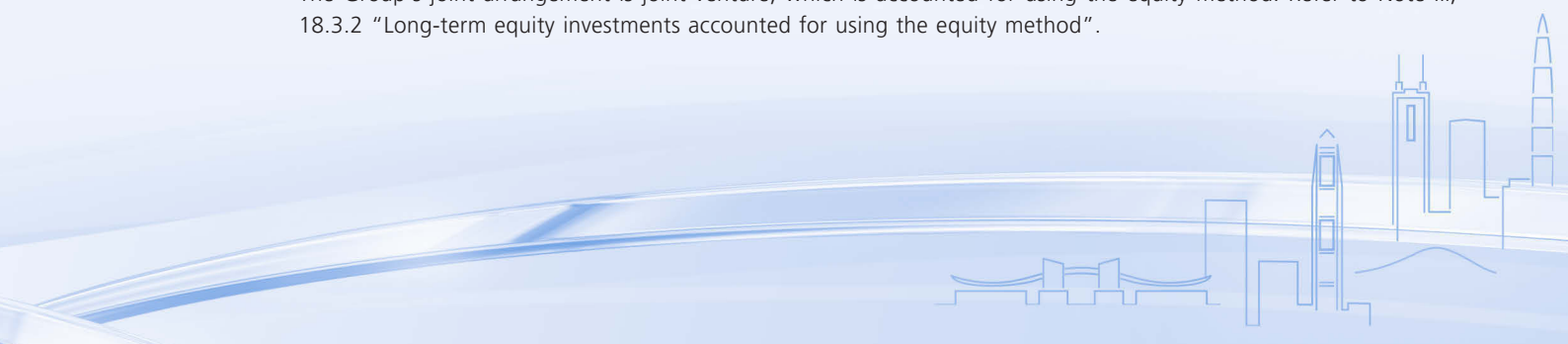
When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of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

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



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Recognition criteria of cash and cash equivalents

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

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

10.1 Transactions denominated in foreign currencies

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

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

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "exchange differences arising on translation 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 of 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 balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for "undistributed profits" are translated at the spot exchange rates on the dates of the transactions; income and expense items in the income statement 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 exchange differences arising on translation of financial statements of this foreign operation attributable to the shareholders' equity of the Company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

In case of a disposal of part 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 on 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 on translation of financial statements of foreign operations is reclassified to profit or loss.

11. Financial instruments

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

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



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

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 does 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 it is due after one year since the acquisition, or presented under non-current assets due within one year if it is due within one year (inclusive) since the balance sheet date.

Upon initial recognition, the Group may irrevocably designate the non-held-for-trading 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 held-for-trading 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 financial assets held-for-trading. Financial assets with a maturity over one year since the balance sheet date (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.



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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. The Group calculates and recognizes interest income through gross carrying amount of financial assets multiplying effective interest, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes its interest income based on amortized cost of the financial asset 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 fair value changes 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 the Group has established the right of collecting dividends; it is probable that the associated economic benefits will flow to the Group; and 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 fair value changes 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 balance sheet.

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

11.2.1 Significant increase in credit risk

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



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

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

- (1) Significant changes in internal price indicators resulting from changes in credit risk;
- (2) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.);
- (3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as the 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;
- (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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.2 Credit-impaired financial asset

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

- (1) Significant financial difficulty of the issuer or debtor;
- (2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, have granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- (6) Purchase or originate a financial asset at a significant discount which reflects the fact of credit impairment.

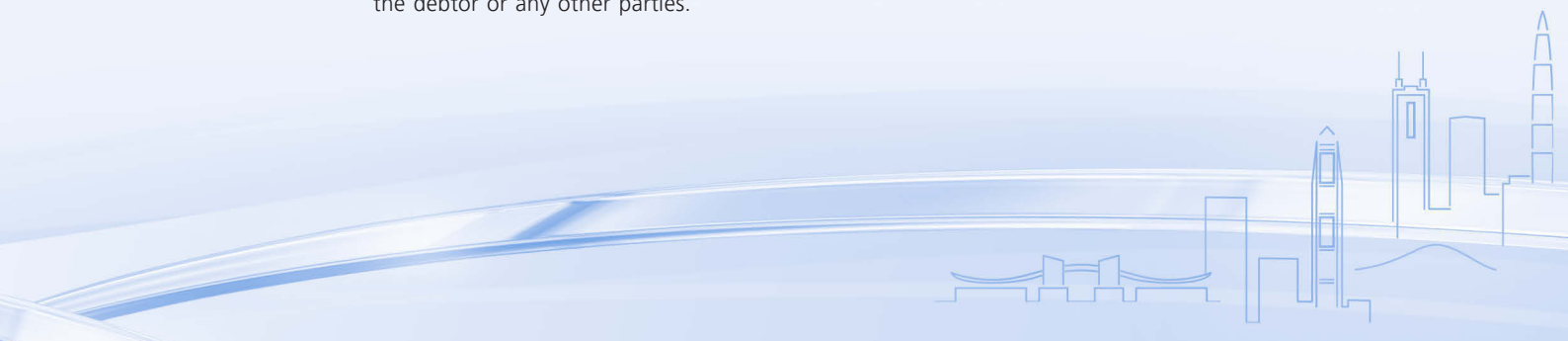
Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals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

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



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.3 Determination of expected credit losses (Continued)

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

11.2.4 Write-down of financial assets

When the Group will no longer reasonably expect 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.3 Transfer of financial assets (Continued)

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.

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.



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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 is classified as held-for-trading 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.

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 values are included in profit or loss for the current 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.

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

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.

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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

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 of equity. Change of 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.

11.5 Derivatives and embedded derivatives

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

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

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

- (1) The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- (3) The hybrid contracts are not measured at FVTPL.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

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 balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

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

In addition to 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 for provision of bad debts on an individual basis

The Group assesses the credit risk on bills receivable from acceptor 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 grouped as below based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include historical credit losses, nature of the customers, etc.

Type 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 kitchen waste disposal customers
Portfolio IV	Receivables from other third parties other than those in Portfolio I, II and III



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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 for provision of bad debts on an individual basis

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

14. Other receivables

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

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

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

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

14.3 Determination criteria for provision of 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 properties completed and for sale, while properties under development are those properties still under construction and for sale purposes, and properties held for development are those 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 finished goods comprises costs of purchase, costs 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 held for sale is determined using the specific identification method. The actual cost of raw materials, work in progress, and finished goods upon delivery is calculated using the FIFO method. The actual cost of maintenance and repair parts upon delivery is calculated using the weighted average method.

15.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

15.1.4 Amortization method for low-value consumables and packaging materials

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

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

At the end of the reporting period, the inventories are measured at the lower of the cost and the net realizable value. If the net realizable value is lower than the cost, the provision for decline in value of inventories should be made.

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



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Inventories (Continued)

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

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 of contract assets

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

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

The contract assets are grouped as below based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: historical credit losses, nature of the customers, etc.

Type of portfolio	Basis for determination
Portfolio I	Government and related parties
Portfolio II	Customers in wind turbine generators sales industry (warranties 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Contract assets (Continued)

16.4 Determination criteria for provision of 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.

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 Transactional financial assets less costs to sell at the balance sheet date, the original deduction should be reversed in impairment losses of assets recognized after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. Impairment losses of assets recognized before they are classified as held for sale will not be reversed.

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

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



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

17.2 Recognition criteria and presentation of 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 income statement. 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.

18. Long-term equity investments

18.1 Determination criteria of joint control and significant influence

Control exists 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, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influences are the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

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 the 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 carrying amount of cash paid, non-cash assets transferred and liabilities assumed adjusted to capital reserve. If the balance of capital reserve is not sufficient, 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 the attributable share of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party. The aggregate face value of the shares issued is accounted for as Equity. 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, any excess is adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting 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 carrying amount of owners' equity of the acquired entity 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 carrying amount of equity investments previously held in the acquiree and the new investment cost 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 previously held equity investments by accounting treatment of equity method or investments in non-trading equity instruments designated as at fair value through other comprehensive income is not subject to accounting treatment temporarily.

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 was accounted for using the equity method, the corresponding other comprehensive income is not subject to accounting treatment temporarily. If the equity investment previously held was classified as investments in non-trading equity instruments designated as at fair value through other comprehensive income, the difference between the fair value and carrying amount, together with the accumulated fair value previously included in other comprehensive income are transferred to retained earnings.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.2 Determination of initial investment costs (Continued)

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

The 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 Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (ASBE No. 22) and the additional investment cost.

18.3 Subsequent measurement and recognition of profit or loss

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

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

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

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

Investments in 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 transactional financial assets. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

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

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

Under the equity method, 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 adjust 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 the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Group's transactions with its associates and joint ventures where assets contributed or sold does 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 its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. When the investment output of our corporation could be considered as business, and the investor receive long-term equity investment without the acquisition of controlling, the fair value of the investment business should be considered as the initial capital of the new long-term equity investment. The difference between initial investment capitals of the carrying amount of investment business will be entirely included in current profit or loss. The difference between the prices of the sold assets which could constitute as business and the carrying amount of the business will be entirely included in current profit or loss. The assets of the corporation which purchased from joint companies and joint ventures that could be consider as business will be dealt on the basis of Accounting Standards for Business Enterprises No. 20 – Business Combinations and be entirely accounted as trading profits or losses.

The Group discontinues recognizing its share of net losses of the investee after 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. 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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.4 Disposal of long-term equity investments

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

Where the Group loses control over the investee due to disposal of part of equity investment, during preparing separate financial statement, remaining interest after disposal which can make joint control or significant influence over the investee is accounted for using the equity method, and adjusted as if it is accounted for using the equity method since the acquisition date. If remaining interest after disposal cannot make joint control or significant influence over the investee, it is accounted for in accordance with the standards for the recognition and measurement of financial instruments, and the difference between fair value on date of losing control and carrying amount is recognized in profit or loss for the period. Other comprehensive income previously recognized for 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 would have been required 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 for using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities when stop 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 stop using the equity method.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Long-term equity investments (Continued)

18.4 Disposal of long-term equity investments (Continued)

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

19. Investment properties

Investment property is property held to earn rents or for capital appreciation or both. It includes car parking spaces that is 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 in 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 disposals.

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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Fixed assets

20.1 Recognition criteria

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

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

20.2 Depreciation methods

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

Category	Depreciation method	Depreciation period (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
Mechanical 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 period 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 an accounting estimate.

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
Construction and installation project	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.

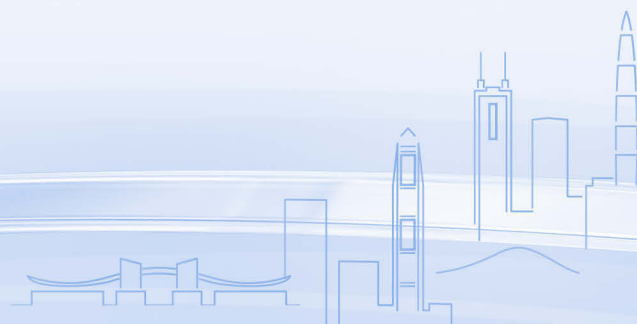
Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the 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.

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 in the period in which they are incurred.



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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)

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

The franchise rights of the toll roads invested by the state-owned shareholders on 1 January 1997 were stated at valuation performed by the asset valuation firms and the values were certified by the State-owned Assets Supervision and Administration Bureau ("SASAB") in accordance with Guo Zi Ping (1996) No. 911. The land use right relating to Shenzhen Airport-Heao Expressway (Western Section) invested to the Company by the promoter of the Company during the restructuring period of the Group was stated at the then revaluation amount admitted by the SASAB on 30 June 1996. The land use right relating to Meiguan Expressway and Shenzhen Airport-Heao Eastern Company Expressway (Eastern Section) owned by Shenzhen Meiguan Expressway Company Limited ("Meiguan Company") and Shenzhen Airport-Heao Expressway (Eastern Section) Company Limited (Airport-Heao Eastern Company), the subsidiary, were invested by Xin Tong Chan Development (Shenzhen) Company Limited ("Xin Tong Chan Company"), one of the promoters of the Company, at the value determined by the cooperating parties.

(1) Franchise rights

(a) Toll road

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

When toll roads are ready for their intended use, amortization of franchise rights is calculated to write off their costs on the traffic volume amortization 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.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

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

(1) *Franchise rights (Continued)*

(a) Toll road (Continued)

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

Item	Operating period (Note 4)	Unit amortization amount (RMB)
Meiguan Expressway	May 1995 to March 2027	0.53
Shenzhen Airport-Heao Expressway (Western Section)	May 1999 to March 2027	0.35
Shenzhen Airport-Heao Expressway (Eastern Section)	October 1997 to March 2027	1.73
Qinglian Expressway	July 2009 to July 2034	47.82
Shuiguan Expressway	March 2002 to January 2026	5.66
Yichang Expressway (Note 1)	January 2004 to December 2033	14.04
Changsha Ring Road (North-western Section) ("Changsha Ring Road")	November 1999 to October 2029	2.91
Coastal Expressway (Note 2)	December 2013 to December 2038	7.09
Outer Ring Expressway Phase I (Note 3)	Commencement of operations in December 2020	3.95
Outer Ring Expressway Phase II (Note 3)	Commencement of operations in January 2022	1.11
Longda Expressway	October 2005 to October 2027	0.25

Note 1: As described in Note VI, 2, since 21 March 2024, the Group no longer includes Hunan Yichang Expressway Development Co., Ltd. ("Yichang Company") in the scope of consolidated financial statements.

Note 2: Coastal Expressway Phase II has been in operation since June 2024, and the unit amortization amount of Coastal Expressway was adjusted from RMB6.09 to RMB7.09.

Note 3: The operating period of Outer Ring Expressway has not yet been approved and the unit amortization amount is calculated based on the tentatively estimated operating period of 25 years.

Note 4: The operating period does not include the toll period extended for each toll road in accordance with local policies due to the 79-day toll-free period implemented nationwide in early 2020.

(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.



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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	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,

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Intangible assets (Continued)

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

- (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.

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

24. Impairment of long-term assets

The Group reviews the long-term equity investments, investment properties measured using cost model, fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful life at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with uncertain useful life or not yet ready for use is tested for impairment every year 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 assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets 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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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.

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 it 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 of rendering service to employees of the Group, amount which should be paid according to defined contribution plans is recognized as liabilities, and recognized 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 of current 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 benefits, 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 balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. Each category of provisions is measured as below:

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

29. Preferred stock, perpetual bonds and other financial instruments

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

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



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Preferred stock, perpetual bonds and other financial instruments (Continued)

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 expense or dividends 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 expense or dividends distribution is 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 a distinct good or service to a customer in the contract.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the performance obligation is satisfied during a period of time or at a point in time. It is a performance obligation satisfied during a period of time and the Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) 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.

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 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 of 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 balance sheet date, the Group re-estimates the amount of variable consideration which should be included in transaction price.

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

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

For sales with 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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

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

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 a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the Group would not consider the significant component in the contract.

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is 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.

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 client 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 the real estate is completed and accepted as qualified, the real estate meets the delivery conditions as agreed in the sales contract, and the client obtains the control over relevant goods or services.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

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

- (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 client obtains the control over relevant goods.

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

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

31. Contract costs

31.1 Costs of obtaining contracts

If the incremental costs (costs that will not occur if no contract obtained) incurred for obtaining the contract are expected to be recovered, the Group recognizes it as an asset and adopts goods or service income related to the assets to confirm the same basis for amortization and recognizes it in profit or loss. Other expenses incurred by the Group for obtaining the contract are recognized in profit or loss for the period in which it occurs, except as expressly borne by the customer.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Contract costs (Continued)

31.2 Costs to fulfill contracts

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

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.

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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Categories of government grants and accounting treatment methods (Continued)

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

Government grants of the group included equipment subsidy. These payments are government grant 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 includes tax refunds and government incentive funds and these are government grant 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 current 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.

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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

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 consist mainly of buildings, mechanical equipment, billboard, etc.

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.

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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

33.1.3 Lease liabilities (Continued)

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

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

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

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

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

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.



NOTES TO FINANCIAL STATEMENTS

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.1 The Group as a lessee (Continued)

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 or 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.

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.

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

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 current period on the same basis as recognition of rental income over the lease term.

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

33.2.2.2 The Group as a lessor under finance leases

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

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

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

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.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Leases (Continued)

33.2 The Group as a lessor (Continued)

33.2.3 Subleases

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

33.2.4 Lease modifications

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

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

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

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

- If the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group shall account for the lease modification as a new lease from the effective date of the modification, and measure the carrying amount of the underlying asset as the net investment in the lease before the effective date of the lease modification.
- If the lease would have been classified as a finance lease had the modification been in effect at the inception date, the Group shall apply the requirements of contract modification and renegotiation under the *Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement*.

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

34.2 Deferred tax assets and deferred tax liabilities

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

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) 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 and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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



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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)

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

34.3 Offsetting of income tax

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

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

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 revenues 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. Changes in significant accounting policies and accounting estimates

36.1 Changes in significant accounting policies

The Interpretation No. 17 of the Accounting Standards for Business Enterprises (the “Interpretation No. 17”) and the Interpretation No. 18 of the Accounting Standards for Business Enterprises (the “Interpretation No. 18”) were issued by the Ministry of Finance on 25 October 2023 and 6 December 2024, respectively.

Interpretation No. 17

Interpretation No. 17 stipulates the classification of current and non-current liabilities and the accounting treatment of sale and leaseback transactions. The Interpretation became effective from 1 January 2024.

1. Classification of current and non-current liabilities

Interpretation No. 17 amends and improves the principles for classification of current liabilities and non-current liabilities in *Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements*, specifying (1) that a liability shall be classified as a current liability if the enterprise has no substantive right at the balance sheet date to defer the settlement of the liability for more than one year after the balance sheet date. The subjective likelihood of the enterprise’s exercise of the aforesaid right does not affect the classification of a liability as current and non-current; (2) that where a liability is arising from the enterprise’s loan arrangement and the enterprise’s right to defer the settlement of the liability for more than one year after the balance sheet date may depend on covenants, the enterprise should distinguish the covenants to be complied with on or before the balance sheet date from those to be complied with after the balance sheet date in determining whether it has the right to defer the settlement of the liability at the balance sheet date; (3) that the associated settlement terms of a liability are irrelevant to the classification of the liability as current and non-current if the counterparty has the option to settle the liability with the enterprise’s own equity instrument and the option is classified as an equity instrument and separately recognized; and (4) the disclosure requirements relating to a loan arrangement with covenants that is classified as a non-current liability. Meanwhile, the enterprise is also required to adjust the information for comparative period upon initial application of the Interpretation.



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Changes in significant accounting policies and accounting estimates (Continued)

36.1 Changes in significant accounting policies (Continued)

Interpretation No. 17 (Continued)

2. Accounting treatment of sale and leaseback transactions

Interpretation No.17 stipulates that where the transfer of assets in a leaseback transaction is considered as a sale, in conducting subsequent measurement of the lease liability formed from leaseback after the lease commencement date, the lessee shall not determine the lease payment or modified lease payment in such a manner as to result in the lessee's recognition of any gain or loss in connection with the use right obtained from the leaseback. Where a lease change results in a narrower lease scope or a shorter lease term, the lessee shall include the relevant gain or loss of the partially or completely terminated lease in profit or loss for the period, and shall not be subject to restrictions prescribed above. When the Interpretation is initially applied, the enterprise shall make retrospective adjustments to leaseback transactions carried out after the date of initial application of the *Accounting Standards for Business Enterprises No. 21 – Leases*.

The Group started to apply the above Interpretation on 1 January 2024. Upon assessment, the Group considers that the adoption of the Interpretation mentioned above has no significant impact on the financial statements of the Group.

Interpretation No. 18

Interpretation No. 18 stipulates the subsequent measurement of investment properties held as underlying items under the variable fee method and the accounting treatment of assurance-type warranties which are not separate performance obligations. The Interpretation became effective from 6 December 2024, and the enterprise is allowed to implement it in advance from the year of release.

1. Subsequent measurement of investment properties held as underlying items under the variable fee method

Interpretation No. 18 stipulates that the enterprise implementing *Accounting Standards for Business Enterprises No. 25 – Insurance Contracts* may choose to adopt either the fair value model or the cost model in its entirety for the subsequent measurement of investment properties held as underlying items under the variable fee method when the requirements of *Accounting Standards for Business Enterprises No. 3 – Investment Properties* for subsequent measurement using the fair value model are met, provided that those two measurement models cannot be used simultaneously for that portion of investment properties, and the choice to use the fair value model cannot be converted to the cost model. When the Interpretation is initially applied, the enterprise should treat the change from the cost model to the fair value model for investment properties held as underlying items under the variable fee method mentioned above as changes in accounting policies and make retrospective adjustments.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Changes in significant accounting policies and accounting estimates (Continued)

36.1 Changes in significant accounting policies (Continued)

Interpretation No. 18 (Continued)

2. Accounting treatment of assurance-type warranties which are not separate performance obligations

Interpretation No. 18 stipulates that when accounting for provisions arising from assurance-type warranties which are not separate performance obligations in accordance with the Revenue Standard, the amount determined shall be debited to "principal operating costs" or "other operating costs" and credited to "provisions", and presented accordingly under "cost of services" in the income statement and "other current liabilities", "non-current liabilities due within one year" and "provisions" in the balance sheet in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies*. When the Interpretation is initially applied, the enterprise shall retrospectively adjust the changes in accounts and items presented in the financial statements involving the accounting treatment of above assurance-type warranties as changes in accounting policies if such assurance-type warranties were included in "selling expenses".

The Group started to apply the above Interpretation on 6 December 2024. Upon assessment, the Group considers that the adoption of the Interpretation mentioned above has no significant impact on the financial statements of the Group.

36.2 Changes in significant accounting estimates

Change in accounting estimates of unit amortization amount of Qinglian Expressway, Changsha Ring Road and Airport-Heao Expressway

RMB

Content of and reasons for changes in accounting estimates	Time point at which the application begins	Name of items in the financial statements subject to significant impact	Amount of impact
Change in accounting estimates of unit amortization amount of franchise rights – Qinglian Expressway, Changsha Ring Road and Airport-Heao Expressway	1 July 2024	Intangible assets and cost of services	2,772,528.04



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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Changes in significant accounting policies and accounting estimates (Continued)

36.2 Changes in significant accounting estimates (Continued)

Change in accounting estimates of unit amortization amount of Qinglian Expressway, Changsha Ring Road and Airport-Heao Expressway (Continued)

In view of that (1) the actual traffic volume of Qinglian Expressway and Changsha Ring Road in recent years differs greatly from the total projected traffic volume and such difference is expected to persist for some time and (2) Airport-Heao Expressway (including Eastern Section and Western Section) will be reconstructed and expanded, its actual traffic volume in the remaining operating period is expected to differ greatly from the total projected traffic volume and such difference is expected to persist for some time, the Group re-predicts the total projected traffic volume of Qinglian Expressway, Changsha Ring Road and Airport-Heao Expressway in the remaining operating period. The Group adjusted the unit amortization amount of Qinglian Expressway from RMB39.28/vehicle to RMB47.82/vehicle, adjusted the unit amortization amount of Changsha Ring Road from RMB2.39/vehicle to RMB2.91/vehicle, and adjusted the unit amortization amount of Airport-Heao Expressway (Western Section) from RMB0.59/vehicle to RMB0.35/vehicle and that of Airport-Heao Expressway (Eastern Section) from RMB2.95/vehicle to RMB1.73/vehicle based on the updated total projected traffic volume. This change in accounting estimates is effective on 1 July 2024, and the impact of which on the Group's consolidated financial statements for the year 2024 is as follows:

RMB

Items in the consolidated statement of financial position	Amount of impact
Increase in intangible assets	2,772,528.04
Increase in deferred tax liabilities	4,261,540.27
Decrease in taxes payable	3,568,408.26
Increase in equity attributable to shareholders of the Company	9,574,957.66
Decrease in minority interests	7,495,561.63
Items in the consolidated statement of profit or loss and other comprehensive income	Amount of impact
Decrease in cost of services	2,772,528.04
Increase in income tax expenses	693,132.01
Increase in net profit	2,079,396.03
Increase in net profit attributable to shareholders of the Company	9,574,957.66
Decrease in profit or loss attributable to minority shareholders	7,495,561.63

The change in accounting estimates mentioned above will have a certain impact on amortization of the franchise rights of Qinglian Expressway, Changsha Ring Road and Airport-Heao Expressway in the future accounting period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

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

Key assumptions and uncertainties in accounting estimates

The followings are the critical judgments that the Group has made in the process of applying the accounting policies and that have significant effect on the amounts recognized in the financial statements:

(1) Amortization of franchise rights associated with toll roads

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

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

(2) Impairment of franchise rights

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

Under the previous assumptions, the Group's management considered that a franchise right had a recoverable amount higher than the carrying amount, and therefore provision for the impairment of a franchise right was not necessary during the current year. The Group is going to exam 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.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

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	7%, 5%
	Educational surcharge	3%
Local educational surcharge	Amount of commodity turnover tax payable	2%
Construction fee for culture undertakings	Amount of advertising turnover	3%
Enterprise income tax ("EIT")	Taxable income	Except subsidiaries in the following table, 25%
Land appreciation tax	Gain on the transfer of real estate	Four-level progressive rates, 30%-60%

IV. TAXATION (CONTINUED)

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

The entities with different EIT rates are disclosed as follows:

Name of the entity	Income tax rate
Shenzhen Investment Holdings Bay Area Development Co., Ltd. ("Bay Area Development")	For amount not exceeding HKD2 million: 8.25%; for amount exceeding HKD2 million: 16.5%
Wilberforce International Ltd. ("Wilberforce")	
Jiehao (British Virgin Islands) Co., Ltd. ("Jiehao")	
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")	
Hopewell China Development (Superhighway) Limited ("Hopewell China Development")	

Note 1: According to the provisions of the *Announcement of the State Taxation Administration on Clarifying Several Issues Concerning the Administration of Collection of Value-Added Tax on the Dealing of Used Vehicles and Other Items* (Announcement No. 9 of the State Taxation Administration [2020]), 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 belongs 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 belongs 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.

2. Tax preference

(a) Preferential policies on a 50% VAT refund upon payment

According to the provisions of the *Notice of the Ministry of Finance and the State Taxation Administration on Value-Added Tax Policies for Wind Power Generation* (Cai Shui [2015] No. 74), since 1 July 2015, taxpayers selling self-produced power products using wind power are subject to a 50% VAT refund policy. Subsidiaries of Baotou Nanfeng Wind Power Technology Co., Ltd. ("Baotou Nanfeng"), including Baotou Lingxiang New Energy Co. Ltd. ("Baotou Lingxiang"), Damaoqi Nanchuan Wind Power Co., Ltd. ("Nanchuan Wind Power"), Damaoqi Ningyuan Wind Power Co., Ltd. ("Ningyuan Wind Power"), Damaoqi Ningxiang Wind Power Co., Ltd. ("Ningxiang Wind Power") and Damaoqi Ningfeng Wind Power Co., Ltd. ("Ningfeng Wind Power") (the subsidiaries of Baotou Nanfeng mentioned above are collectively referred to as the "wind power enterprises under Baotou Nanfeng"), Mulei 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") and Yongcheng Zhuneng New Energy Technology Co., Ltd. ("Yongcheng Zhuneng") are wind power enterprises and enjoy the above tax preferences.



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IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(b) Preferential policies on immediate refund of VAT for the portion of actual VAT burden exceeding 3%

According to the provisions of the Notice of the Ministry of Finance and the State Taxation Administration on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36), general taxpayers providing pipeline transportation service, financing lease services for tangible movable property, and financing sale-and-leaseback services for tangible movable property will enjoy immediate refund of VAT for the portion of actual VAT burden exceeding 3%. Shenzhen Expressway Financial Leasing Co., Ltd. ("Financial Leasing Company") provides sale-and-leaseback services for tangible movable property and thus enjoys the above tax preferences.

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

According to the provisions of the Notice of the Ministry of Finance and the State Taxation Administration on Issuing the Catalogue of Value-Added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources (Cai Shui [2015] No. 78), general taxpayers engaged in the sale of products made by themselves through comprehensive utilization of resources and the provision of services involving the comprehensive utilization of resources may enjoy the VAT policy of immediate refund upon payment. The specific names of the comprehensively-utilized resources, the names of the products and services involving comprehensive utilization, the technical standards, related requirements, and the rate of tax refunds, etc., shall be governed by the relevant provisions of the Catalogue of the Value-added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources (the "Catalogue") as annexed to the Notice. Guiyang Beier Bioland Environmental Technologies Co., Ltd. ("Guiyang Beier Bioland"), Shaoyang Shengao Environmental Technology Co., Ltd. ("Shaoyang Shengao Environmental") and Shenzhen Lisai Environmental Protection Technology Co., Ltd. ("Lisai Environmental Protection") satisfy items 4.1 and 5.1 under the Catalogue and are entitled to the above tax preferences for income from sale of bio-oil and biomass crushing materials, biogas power generation, waste treatment subsidy and sludge disposal services, which are generated from kitchen waste disposal. Fuzhou Bioland Environmental Protection Co., Ltd. ("Fuzhou Bioland") satisfies items 2.9, 4.3 and 5.1 under the Catalogue and is entitled to the above tax preferences for income from biogas power generation, waste treatment and sludge disposal services, which are generated from kitchen waste disposal. Sichuan Lansheng Environmental Protection Technology Co., Ltd. ("Sichuan Lansheng") satisfies items 4.1 and 4.3 under the Catalogue and is entitled to the above tax preferences for income from bio-oil, biomass crushing materials and biogas power generation, which are generated from kitchen waste disposal.

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

According to the provisions of the Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce and the National Health Commission on the Preferential Tax and Fee Policies Concerning Elderly Care, Child Care, Housekeeping and Other Community Family Services (Announcement No. 76 (2019) of the Ministry of Finance), the income obtained from providing community elderly care, child care and housekeeping services shall be exempt from VAT. Shenzhen Expressway Shengao Lekang Health Service (Shenzhen) Co., Ltd. ("Shengao Lekang") provides community elderly care services and thus enjoys the above preferential policies. Shenzhen Guangming Fengrunjiu Health Service Co., Ltd. ("Guangming Fengrunjiu") provides community elderly care services and child care services and thus enjoys the above preferential policies.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(e) 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. Qianzhi Company, Qianhui Company, Ningxia Zhongwei, Yongcheng Zhuneng, Shenzhen Expressway Shengneng Technology Co., Ltd. ("Shengneng Technology") and Shenzhen Outer Ring Expressway Investment Company Limited ("Outer Ring Company") engage in operation projects that meet the tax preferences policies for public infrastructure projects supported by the state.

Qianzhi Company, Qianhui Company, Ningxia Zhongwei and Yongcheng Zhuneng started grid-connected power generation in 2020 and obtained income from production and operation for the first time, the enterprise income tax is exempted from 2020 to 2022 and levied by half from 2023 to 2025.

Outer Ring Company started the operation of Outer Ring Expressway on 29 December 2020 and obtained income from operation for the first time, the enterprise income tax is exempted from 2020 to 2022 and levied by half from 2023 to 2025.

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

According to the provisions of Article 88 of the *Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China*, enterprises that engage in eligible environmental protection, energy conservation and water saving projects shall, from the tax year in which the production and business income is obtained from the project for the first time, be exempted from enterprise income tax for the first three years, and halved from the fourth year to the sixth year. Huangshi Huantou Bioland Renewable Energy Co., Ltd. ("Huangshi Bioland") and Taizhou Bioland Environmental Protection Technology Co., Ltd. ("Taizhou 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 2019 to 2021 and levied by half from 2022 to 2024.

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



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IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

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

Guilin Bioland Renewable Energy Co., Ltd. (“Guilin Bioland”) and Inner Mongolia Chenghuan Bioland Renewable Resources Co., Ltd. (“Inner Mongolia Chenghuan Bioland”) engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2022 to 2024 and levied by half from 2025 to 2027.

Shaoyang Shengao Environmental, Chuzhou Bioland Environmental Protection Technology Co., Ltd. (“Chuzhou Bioland”) and Beihai Zhonglan Environment Technology Co., Ltd. (“Beihai Zhonglan”) engage in operation projects that meet the preferential policies on enterprise income tax for environmental protection and energy-saving water conservation project, and the enterprise income tax is exempted from 2023 to 2025 and levied by half from 2026 to 2028.

(f) Preferential policies on reduction and exemption of enterprise income tax for ethnic minority regions

According to the provisions of the *Notice of Joint Implementation of Preferential Enterprise Income Tax Policies for Ethnic Minority Autonomous Regions* by Guangdong Department of Finance, Guangdong Local Taxation Bureau and Guangdong State Taxation Bureau (Yue Cai fa [2017] No. 11), enterprises in Lianshan Zhuang and Yao Autonomous Counties, Liannan Yao Autonomous County and other minority areas will be exempted from the local sharing part of enterprise income tax payable (including provincial and municipal and county levels), i.e., enterprise income tax is reduced and exempted by 40%. This policy is implemented from 1 January 2018 to 31 December 2025. Shenzhen Expressway (Guangdong) New Energy Investment Co., Ltd (“Guangdong New Energy”) is registered in Liannan Yao Autonomous County, and enjoys a 40% reduction of enterprise income tax.

(g) 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. Wind power enterprises under Baotou Nanfeng, Qianxin Company, Qianzhi Company, Qianhui Company, Ningxia Zhongwei, Guangxi Bioland Renewable Energy Co., Ltd. (“Guangxi Bioland”), Guilin Bioland, Sichuan Lansheng, Beihai Zhonglan, Inner Mongolia Chenghuan Bioland and Guiyang Beier Bioland are enterprises in encouraging industries located in the western region and enjoy the tax preference of calculating and paying enterprise income tax at the reduced tax rate of 15%.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(h) Preferential policies on enterprise income tax for elderly care services and child care services provided by elderly care institutions and child care institutions

According to the provisions of the *Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce and the National Health Commission on the Preferential Tax and Fee Policies Concerning Elderly Care, Child Care, Housekeeping and Other Community Family Services* (Announcement No. 76 (2019) of the Ministry of Finance), the income obtained from providing community elderly care, child care and housekeeping services shall be included in the total income at a reduced rate of 90% in the calculation of taxable income. Shengao Lekang provides community elderly care services and thus enjoys the above preferential policies. Guangming Fengrunjiu provides community elderly care services and child care services and thus enjoys the above preferential policies.

(i) Preferential policies on enterprise income tax for high-tech enterprises

Shenzhen-Shanwei Special Cooperation Zone Qiantai Technology Co., Ltd. ("Qiantai Company") obtained the High-tech Enterprise Certificate (Certificate No. GR202344206897) on 12 December 2023, which is valid for three years. According to the *Enterprise Income Tax Law of the People's Republic of China* and related regulations, Qiantai Company pays enterprise income tax at a tax rate of 15% for the years 2023, 2024 and 2025.

Shenzhen Expressway Infrastructure Environment Protection Development Co., Ltd. ("Infrastructure Environment Protection Development Company") obtained the High-tech Enterprise Certificate (Certificate No. GR202244204468) on 19 December 2022, which is valid for three years. According to the *Enterprise Income Tax Law of the People's Republic of China* and related regulations, Infrastructure Environment Protection Development Company pays enterprise income tax at a tax rate of 15% for the years 2022, 2023 and 2024.

Lisai Environmental Protection obtained the High-tech Enterprise Certificate (Certificate No. GR202244206664) on 19 December 2022, which is valid for three years. According to the *Enterprise Income Tax Law of the People's Republic of China* and related regulations, Lisai Environmental Protection pays enterprise income tax at a tax rate of 15% for the years 2022, 2023 and 2024.

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.



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IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(j) 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* (No. 13 Announcement of the Ministry of Finance and the State Taxation Administration in 2022) 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* (No. 12 Announcement of the Ministry of Finance and the State Taxation Administration in 2023), the annual taxable income of small and micro enterprises that is more than RMB1 million but less than RMB3 million is included in taxable income at a reduced rate of 25% and is subject to the enterprise income tax rate of 20% from 1 January 2022 and 31 December 2027.

According to the provisions of the *Announcement of the Ministry of Finance and the State Taxation Administration on Income Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households* (No. 6 Announcement of the Ministry of Finance and the State Taxation Administration in 2023) 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* (No. 12 Announcement of the Ministry of Finance and the State Taxation Administration in 2023), 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 and 31 December 2027.

Kunshan Beier Bioland Environmental Protection Technology Co., Ltd. ("Kunshan Environmental Protection"), Nanjing Shenlu Environmental Protection Technology Co., Ltd. ("Shenlu Environmental Protection"), Longyou Bioland Environmental Technology Co., Ltd. ("Longyou Bioland"), Shenzhen Expressway Bioland Environmental Protection Technology Research and Design Institute Co., Ltd. ("Bioland Environmental Protection Technology") and Shenzhen Expressway Property Management Company Limited ("Property Management Company") are small and micro enterprises and thus enjoy the above preferential policies.

(k) 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* (No. 12 Announcement of the Ministry of Finance and the State Taxation Administration in 2023), 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, Bioland Environmental Protection Technology and Property Management Company are small and micro enterprises and thus enjoy the above preferential policies. Shenzhen Jinshen New Energy Co., Ltd. ("Jinshen New Energy") and Shengao Lekang are small-scale VAT taxpayers and thus enjoy the above preferential policies.

IV. TAXATION (CONTINUED)

2. Tax preference (Continued)

(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 No. 164 [1987]), taxpayers are exempt from property tax on newly-built houses (excluding those built in violation of regulations) which are newly constructed or purchased by them for three years from the month following the one in which such houses are constructed or purchased.

The Company and Shenzhen Guangshen Coastal Expressway Investment Company Limited ("Coastal Expressway") enjoy the above preferential policies.

According to the provisions of the *Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce and the National Health Commission on the Preferential Tax and Fee Policies Concerning Elderly Care, Child Care, Housekeeping and Other Community Family Services* (Announcement No. 76 (2019) of the Ministry of Finance), institutions providing services such as elderly care, child care, and housekeeping services to the community, which own or acquire properties and lands through leasing or gratuitous use used for offering community elderly care, child care, and housekeeping services, are exempt from property tax and urban land use tax. Shengao Lekang provides community elderly care services and thus enjoys the above preferential policies. Guangming Fengrunjiu provides community elderly care services and child care services and thus enjoys the above preferential policies.

3. Others

According to the *Reply from the State Taxation Administration Concerning about 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 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.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at banks and on hand

RMB

Item	31 December 2024	31 December 2023
Cash on hand:	6,291,155.12	6,881,214.18
RMB	6,271,063.52	6,852,199.49
HKD	19,869.28	28,781.92
Others	222.32	232.77
Bank deposits:	2,843,044,967.28	2,089,053,154.85
RMB	2,637,251,943.13	2,025,261,672.95
HKD	204,831,032.40	55,768,062.22
USD	961,991.75	8,023,419.68
Others:	59,245,888.03	56,433,264.02
RMB	59,230,250.90	56,353,988.49
HKD	15,637.13	79,275.53
Total	2,908,582,010.43	2,152,367,633.05
Including: Total amount deposited abroad	229,348,598.23	180,530,811.85

As at 31 December 2024, the Group's restricted funds are listed as follows:

RMB

Item	31 December 2024	31 December 2023
Regulated equity acquisition funds	–	211,058.04
Special account for project management	64,697,174.94	4,237,645.58
Security deposits	40,938,550.80	34,629,682.33
Frozen funds due to litigation	132,452,631.73	158,069,019.78
Total	238,088,357.47	197,147,405.73

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Transactional financial assets

RMB

Category	31 December 2024	31 December 2023
Financial assets at FVTPL	129,822,937.64	468,792,208.25
Including:		
Compensation for valuation adjustment mechanism receivable	129,822,937.64	148,419,868.53
Structured deposits	–	320,372,339.72
Total	129,822,937.64	468,792,208.25

3. Bills receivable

(1) Categories of bills receivable

RMB

Category	31 December 2024	31 December 2023
Commercial acceptance bills	1,390,389.45	–
Bank acceptance bills	–	500,000.00
Total	1,390,389.45	500,000.00

- (2) The Group had no bills receivable pledged at the end of the year.
- (3) The Group had no bills receivable that had been endorsed or discounted at the end of the year but were not due as at the balance sheet date.
- (4) As at 31 December 2024, the Group had no bills that were converted into accounts receivable due to the drawer's failure to perform contract.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

(1) Accounts receivable disclosed by aging

	31 December 2024	31 December 2023
Aging		
Within 1 year	639,854,184.00	559,540,282.52
1 to 2 years	62,312,442.63	164,463,453.31
2 to 3 years	104,869,539.05	189,609,768.02
Over 3 years	416,388,273.94	227,406,909.92
Total	1,223,424,439.62	1,141,020,413.77

(2) Accounts receivable disclosed by method of bad debt provision

RMB

Category	31 December 2024					31 December 2023				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on an individual basis										
Provision assessed on an individual basis	380,440,020.34	31.10	192,541,411.15	50.61	187,898,609.19	97,078,696.46	8.51	64,055,138.30	65.98	33,023,558.16
Bad debt provision assessed on a portfolio basis										
Portfolio I	375,368,849.23	30.68	43,671,317.57	11.63	331,697,531.66	234,267,133.83	20.53	-	-	234,267,133.83
Portfolio II	18,620,895.01	1.52	1,768,454.49	9.50	16,852,440.52	295,534,935.39	25.90	48,205,729.70	16.31	247,329,205.69
Portfolio III	54,643,273.37	4.47	24,161,922.45	44.22	30,481,350.92	140,261,764.61	12.29	50,936,570.57	36.32	89,325,194.04
Portfolio IV	394,351,401.67	32.23	3,812,534.21	0.97	390,538,867.46	373,877,883.48	32.77	10,335,882.12	2.76	363,542,001.36
Including: Customers in the automotive dismantling and power battery industry	67,796,036.85	5.54	3,449,480.14	5.09	64,346,556.71	57,557,699.38	5.04	4,620,796.83	8.03	52,936,902.55
Total	1,223,424,439.62	100.00	265,955,639.87		957,468,799.75	1,141,020,413.77	100.00	173,533,320.69		967,487,093.08

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis:

RMB

Name of entity	31 December 2024			Reason for provision
	Gross carrying amount	Bad debt provision	Proportion (%)	
Customer I	141,998,000.00	17,582,080.00	12.38	It is expected that some of the receivables are irrecoverable
Customer II	126,049,250.00	69,546,071.52	55.17	It is expected that some of the receivables are irrecoverable
Customer III	35,492,465.65	35,492,465.65	100.00	It is expected that the receivables are irrecoverable
Customer IV	28,364,000.00	28,364,000.00	100.00	It is expected that the receivables are irrecoverable
Customer V	26,250,000.00	21,000,000.00	80.00	It is expected that some of the receivables are irrecoverable
Customer VI	8,840,500.00	8,840,500.00	100.00	It is expected that the receivables are irrecoverable
Customer VII	6,611,795.32	6,611,795.32	100.00	It is expected that the receivables are irrecoverable
Customer VIII	3,459,021.43	1,729,510.72	50.00	It is expected that some of the receivables are irrecoverable
Customer IX	2,940,000.00	2,940,000.00	100.00	It is expected that the receivables are irrecoverable
Customer X	434,987.94	434,987.94	100.00	It is expected that the receivables are irrecoverable
Total	380,440,020.34	192,541,411.15		



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis: (Continued)

Accounts receivable for which the bad debt provision is assessed by aging analysis method in portfolio II, portfolio III and portfolio IV:

RMB

	31 December 2024		
	Accounts receivable	Bad debt provision	Proportion (%)
Portfolio II			
Within 1 year	40,097.19	–	–
Over 3 years	18,580,797.82	1,768,454.49	9.52
Total	18,620,895.01	1,768,454.49	

RMB

	31 December 2024		
	Accounts receivable	Bad debt provision	Proportion (%)
Portfolio III			
Within 1 year	17,225,575.48	667,160.53	3.87
1 to 2 years	999,971.77	71,194.43	7.12
2 to 3 years	23,039,763.92	10,559,607.45	45.83
Over 3 years	13,377,962.20	12,863,960.04	96.16
Total	54,643,273.37	24,161,922.45	

RMB

	31 December 2024		
	Accounts receivable	Bad debt provision	Proportion (%)
Portfolio IV			
Within 1 year	366,910,908.11	2,657,803.02	0.72
1 to 2 years	16,601,345.04	777,056.44	4.68
2 to 3 years	10,839,148.52	377,674.75	3.48
Total	394,351,401.67	3,812,534.21	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Accounts receivable disclosed by method of bad debt provision (Continued)

Measurement of expected credit losses at an amount equivalent to the lifetime ECL

RMB

Bad debt provision	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2024	109,478,182.39	64,055,138.30	173,533,320.69
– Transfer into those credit-impaired	(37,814,775.00)	37,814,775.00	–
Provision	3,041,657.08	92,210,608.57	95,252,265.65
Reversal	(1,290,835.75)	–	(1,290,835.75)
Other changes	–	(1,539,110.72)	(1,539,110.72)
31 December 2024	73,414,228.72	192,541,411.15	265,955,639.87

(3) Details of bad debt provision

RMB

Category	1 January 2024	Changes for the year				31 December 2024
		Provision	Recovery or reversal	Charge-off/ Write-off	Other changes	
Accounts receivable for which bad debt provision is assessed on an individual basis	64,055,138.30	92,210,608.57	–	–	36,275,664.28	192,541,411.15
Accounts receivable for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics	109,478,182.39	3,041,657.08	(1,290,835.75)	–	(37,814,775.00)	73,414,228.72
Total	173,533,320.69	95,252,265.65	(1,290,835.75)	–	(1,539,110.72)	265,955,639.87

In 2024, the Group had no recovery or reversal of bad debt provision which was individually significant.

(4) In 2024, no accounts receivable has been written off.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(5) Top five accounts receivable and contract assets categorized by debtor

RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts of accounts receivable and provision for impairment of contract assets
Total of top five accounts receivable and contract assets as at 31 December 2024	405,648,890.00	178,380,235.11	584,029,125.11	17.29	87,240,071.52

5. Prepayments

(1) Prepayments presented by aging

RMB

Aging	31 December 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	84,392,898.54	34.38	233,050,857.20	93.94
1 to 2 years	154,987,870.65	63.13	2,781,366.90	1.12
2 to 3 years	2,421,899.10	0.99	12,041,464.89	4.86
Over 3 years	3,679,694.20	1.50	209,893.07	0.08
Total	245,482,362.49	100.00	248,083,582.06	100.00

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments (Continued)

(2) Prepayments presented by nature

RMB

Item	31 December 2024	31 December 2023
Prepayments for materials	210,759,285.04	195,330,287.46
Others	34,723,077.45	52,753,294.60
Total	245,482,362.49	248,083,582.06

As at 31 December 2024, the prepayments aged over one year mainly represent the prepayments for materials. As the materials had not yet been delivered or signed for warehousing, the prepayments remain outstanding.

(3) Top five prepayments categorized by payee

RMB

Name of entity	Relationship with the Group	Gross carrying amount	Aging	Proportion to total prepayments (%)
Total of top five prepayments as at 31 December 2024	Non-related party	198,105,736.76	Within 1 year, 1 to 2 years	80.70

6. Other receivables

6.1 Presentation of other receivables

RMB

Item	31 December 2024	31 December 2023
Dividends receivable	135,000,000.00	—
Other receivables	699,685,738.81	602,215,140.81
Total	834,685,738.81	602,215,140.81

6.2 Dividends receivable

RMB

Investee	31 December 2024	31 December 2023
Guangzhou-Shenzhen-Zhuhai Expressway Co., Ltd. ("Guangzhou-Shenzhen-Zhuhai Expressway")	135,000,000.00	—
Total	135,000,000.00	—

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

6.3 Other receivables

(1) Other receivables disclosed by aging

RMB

	31 December 2024	31 December 2023
Aging		
Within 1 year	392,879,473.35	349,597,998.42
1 to 2 years	155,882,846.23	13,852,013.22
2 to 3 years	7,087,778.53	169,473,184.24
Over 3 years	259,100,027.74	97,885,172.89
Sub-total	814,950,125.85	630,808,368.77
Less: Bad debt provision of other receivables	115,264,387.04	28,593,227.96
Total	699,685,738.81	602,215,140.81

(2) Classification of other receivables by nature

RMB

	31 December 2024	31 December 2023
Nature		
Receivables from third parties	471,062,690.72	301,310,479.29
Receivables from related parties (Note XI, 6(1))	91,465,827.87	89,127,581.88
Deposits and security deposits	57,695,063.33	70,044,741.99
Advances receivable	8,925,258.03	12,085,156.12
Employee advances	3,696,883.46	6,942,183.75
Administrative reserve	1,456,954.00	1,621,848.20
Others	180,647,448.44	149,676,377.54
Total	814,950,125.85	630,808,368.77

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

6.3 Other receivables (Continued)

(3) Provision of bad debts

RMB

	Stage I	Stage II	Stage III	
Bad debt provision	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2024	28,593,227.96	–	–	28,593,227.96
– Transfer into Stage II	–	–	–	–
– Transfer into Stage III	–	–	–	–
– Reverse to Stage II	–	–	–	–
– Reverse to Stage I	–	–	–	–
Provision	87,142,114.90	–	–	87,142,114.90
Reversal	(470,955.82)	–	–	(470,955.82)
Transfer out due to derecognition of financial assets (including direct write-down)	–	–	–	–
Other changes	–	–	–	–
31 December 2024	115,264,387.04	–	–	115,264,387.04

(4) Details of bad debt provision

RMB

Category	1 January 2024	Changes for the year			31 December 2024
		Provision	Recovery or reversal	Charge-off/Write-off	
Other receivables for which bad debt provision is assessed on a portfolio basis	28,593,227.96	87,142,114.90	(470,955.82)	–	115,264,387.04



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

6.3 Other receivables (Continued)

(5) Top five other receivables categorized by debtor

RMB

Name of entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Customer I	366,884,721.93	45.02	Outstanding capital contributions receivable from partners of Outer Ring Expressway Phase I and Phase II projects	Within 1 year, 1 to 2 years	–
Customer II	128,487,169.12	15.77	Profit pre-allocated to minority shareholders by subsidiaries	Within 1 year	–
Customer III	88,331,191.80	10.84	Amounts due from associates	Over 3 years	26,499,357.54
Customer IV	41,200,000.00	5.06	Deposits and security deposits	Over 3 years	41,200,000.00
Customer V	34,578,534.42	4.24	Transfer of prepayments for canceled/terminated contracts to "other receivables" (Note)	Over 3 years	–
Total	659,481,617.27	80.93			67,699,357.54

Note: RMB33.39 million was recovered in January 2025.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Categories of inventories

RMB

Item	31 December 2024			31 December 2023		
	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)	257,148,356.32	–	257,148,356.32	255,588,404.50	–	255,588,404.50
Properties under development (Note 2)	116,351,386.31	–	116,351,386.31	103,688,351.51	–	103,688,351.51
Properties held for sale (Note 3)	597,974,602.88	50,513,916.31	547,460,686.57	620,852,765.61	–	620,852,765.61
Raw materials	226,220,613.48	139,287,249.66	86,933,363.82	285,767,030.43	107,978,328.25	177,788,702.18
Work in progress	173,424,057.57	130,274,199.84	43,149,857.73	181,145,606.61	109,679,937.21	71,465,669.40
Goods on hand	126,473,192.23	84,344,861.21	42,128,331.02	147,970,514.54	24,134,161.23	123,836,353.31
Low value consumables and others	2,201,585.90	–	2,201,585.90	2,343,766.98	–	2,343,766.98
Total	1,499,793,794.69	404,420,227.02	1,095,373,567.67	1,597,356,440.18	241,792,426.69	1,355,564,013.49

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 them are subsidiaries of the Company.

Note 2: Properties under development

RMB

Name of project	31 December 2024	31 December 2023
Public area to be amortized	116,351,386.31	103,688,351.51
Total	116,351,386.31	103,688,351.51

Note 3: Properties held for sale

RMB

Name of project	Time of completion	1 January 2024	Addition	Reduction	31 December 2024	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	559,436,461.99	5,607,679.91	28,485,842.64	536,558,299.26	50,513,916.31
Total		620,852,765.61	5,607,679.91	28,485,842.64	597,974,602.88	50,513,916.31



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(2) Provision for decline in value of inventories

RMB

Item	1 January 2024	Provision	Reversal	Write-off	31 December 2024
Raw materials	107,978,328.25	31,334,706.91	–	(25,785.50)	139,287,249.66
Work in progress	109,679,937.21	20,594,262.63	–	–	130,274,199.84
Goods on hand	24,134,161.23	62,029,571.37	–	(1,818,871.39)	84,344,861.21
Properties held for sale	–	50,513,916.31	–	–	50,513,916.31
Total	241,792,426.69	164,472,457.22	–	(1,844,656.89)	404,420,227.02

(3) Descriptions on capitalized borrowing costs included in the closing balance of inventories

In 2024, the amount of capitalized interest included in inventories was RMB nil (2023: RMB nil), and the capitalization rate used to recognize the capitalization amount was nil (2023: nil). As at 31 December 2024, the amount of capitalized interest included in the closing balance of inventories was RMB2,884,598.12 (31 December 2023: RMB3,027,433.33).

8. Contract assets

(1) Details of contract assets

RMB

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets over one year (Note)	1,763,574,756.21	–	1,763,574,756.21	2,661,993,597.28	–	2,661,993,597.28
Agent-construction receivables	241,717,412.68	3,304,869.42	238,412,543.26	277,580,031.21	3,304,869.42	274,275,161.79
Warranties receivable	69,156,423.88	343,019.88	68,813,404.00	69,502,219.88	343,019.88	69,159,200.00
Kitchen waste engineering construction receivables	59,741,874.06	16,471,364.68	43,270,509.38	67,947,904.19	16,471,364.68	51,476,539.51
Other operating receivables	20,131,385.79	–	20,131,385.79	–	–	–
Sub-total	2,154,321,852.62	20,119,253.98	2,134,202,598.64	3,077,023,752.56	20,119,253.98	3,056,904,498.58
Less: Contract assets over one year	1,763,574,756.21	–	1,763,574,756.21	2,661,993,597.28	–	2,661,993,597.28
Total	390,747,096.41	20,119,253.98	370,627,842.43	415,030,155.28	20,119,253.98	394,910,901.30

Note: Refer to Note V, 22.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(2) Amount and reason for the significant changes in carrying amount for the year

RMB

Item	Amount of changes	Reason for changes
Receivables from Guizhou Longli River Bridge project	(973,047,043.81)	Carry forward to long-term receivables due to final acceptance of the project in the current year
Agent-construction receivables	(35,862,618.53)	Carry forward to accounts receivable based on project settlement situation for the year
Other operating receivables	20,131,385.79	Recognize increase in contract assets based on the progress of other projects such as technical service business.

(3) Contract assets disclosed by method of bad debt provision

RMB

Category	31 December 2024					31 December 2023				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on an individual basis	3,304,869.42	0.15	3,304,869.42	100.00	-	3,304,869.42	0.11	3,304,869.42	100.00	-
Bad debt provision assessed on a portfolio basis	2,151,016,983.20	99.85	16,814,384.56	0.78	2,134,202,598.64	3,073,718,883.14	99.89	16,814,384.56	0.55	3,056,904,498.58
Including:										
Portfolio I	2,001,987,299.47	92.94	-	-	2,001,987,299.47	2,936,268,759.07	95.42	-	-	2,936,268,759.07
Portfolio II	69,156,423.88	3.21	343,019.88	0.50	68,813,404.00	69,502,219.88	2.26	343,019.88	0.49	69,159,200.00
Portfolio III	59,741,874.06	2.77	16,471,364.68	27.57	43,270,509.38	67,947,904.19	2.21	16,471,364.68	24.24	51,476,539.51
Portfolio IV	20,131,385.79	0.93	-	-	20,131,385.79	-	-	-	-	-
Total	2,154,321,852.62	100.00	20,119,253.98		2,134,202,598.64	3,077,023,752.56	100.00	20,119,253.98		3,056,904,498.58

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on an individual basis

RMB

Bad debt provision assessed on an individual basis	31 December 2024			Reason for provision
	Gross carrying amount	Bad debt provision	Proportion (%)	
Shenshan Houmen Project	3,304,869.42	3,304,869.42	100.00	It is expected that the agent-construction fee is irrecoverable
Total	3,304,869.42	3,304,869.42		

Bad debt provision assessed on a portfolio basis

RMB

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio I			
Government and related parties	2,001,987,299.47	–	–
Total	2,001,987,299.47	–	

RMB

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio II			
Customers in wind turbine generators sales industry (warranties receivable)	69,156,423.88	343,019.88	0.50
Total	69,156,423.88	343,019.88	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(3) Contract assets disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on a portfolio basis (Continued)

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio III			
Within 1 year	188,579.52	–	–
1 to 2 years	28,669,872.61	838,073.74	2.92
2 to 3 years	10,862,861.62	1,773,881.42	16.33
3 to 4 years	6,181,378.44	1,517,508.79	24.55
4 to 5 years	253,077.91	139,050.20	54.94
Over 5 years	13,586,103.96	12,202,850.53	89.82
Total	59,741,874.06	16,471,364.68	

RMB

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio IV			
Within 1 year	20,131,385.79	–	–
Total	20,131,385.79	–	

Measurement of expected credit losses at an amount equivalent to the lifetime ECL

RMB

Bad debt provision	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2024	16,814,384.56	3,304,869.42	20,119,253.98
Provision	–	–	–
Write-off	–	–	–
31 December 2024	16,814,384.56	3,304,869.42	20,119,253.98



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(4) Provision for credit losses of contract assets for the year

RMB

Category	1 January 2024	Provision	Charge-off/Write-off	31 December 2024
Agent-construction receivables	3,304,869.42	-	-	3,304,869.42
Warranties receivable	343,019.88	-	-	343,019.88
Kitchen waste engineering construction receivables	16,471,364.68	-	-	16,471,364.68
Total	20,119,253.98	-	-	20,119,253.98

9. Non-current assets due within one year

RMB

Item	31 December 2024	31 December 2023
Advances due from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd. (Note)	-	9,412,279.18
Financial leasing receivables (Note)	172,950,515.75	260,026,234.70
Receivables from Longli County Government of Guizhou Province for Longli River Bridge project (Note)	264,198,928.52	-
Sub-total	437,149,444.27	269,438,513.88
Less: Provision for bad debts	1,156,050.14	4,663,943.75
Total	435,993,394.13	264,774,570.13

Note: Please refer to Note V, 12.

10. Other current assets

RMB

Item	31 December 2024	31 December 2023
Pending deduction of input VAT	244,059,035.65	268,559,421.98
Certificates of time deposits	374,275,722.22	204,392,500.00
Prepaid taxes	46,077,056.07	24,127,401.93
Total	664,411,813.94	497,079,323.91

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term prepayments

RMB

Item	31 December 2024	31 December 2023
Prepayments for acquisition and construction of long-term assets	27,117,805.58	37,351,927.12
Prepayments for reconstruction and expansion of Airport-Heao Expressway	721,647,859.04	195,940,689.80
Prepaid project fund of Outer Ring Company	475,651,807.18	33,396,935.68
Prepaid project fund of Shenzhen-Shanwei Expressway project	88,013,163.63	88,172,577.00
Prepaid project fund of Guangming Environment project	148,515.28	1,870,868.86
Total	1,312,579,150.71	356,732,998.46

12. Long-term receivables

(1) Details of long-term receivables

RMB

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Financial leasing receivables (Note 1)	1,259,546,924.69	12,575,526.36	1,246,971,398.33	1,313,436,928.10	21,883,569.82	1,291,553,358.28
Electricity subsidy income (Note 2)	1,404,661,240.86	50,750,584.03	1,353,910,656.83	1,270,230,085.06	22,302,840.47	1,247,927,244.59
Advances due from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd.	60,941,210.16	-	60,941,210.16	60,229,723.92	-	60,229,723.92
Receivables from Longli County Government of Guizhou Province for Longli River Bridge project	974,196,249.77	-	974,196,249.77	-	-	-
Sub-total	3,699,345,625.48	63,326,110.39	3,636,019,515.09	2,643,896,737.08	44,186,410.29	2,599,710,326.79
Less: Long-term receivables due within one year (Note V, 9)	437,149,444.27	1,156,050.14	435,993,394.13	269,438,513.88	4,663,943.75	264,774,570.13
Including:						
Advances due from Shenzhen-Shanwei Special Cooperation Zone Development and Construction Co., Ltd.	-	-	-	9,412,279.18	-	9,412,279.18
Financial leasing receivables (Note 1)	172,950,515.75	1,156,050.14	171,794,465.61	260,026,234.70	4,663,943.75	255,362,290.95
Receivables from Longli County Government of Guizhou Province for Longli River Bridge project (Note 3)	264,198,928.52	-	264,198,928.52	-	-	-
Total	3,262,196,181.21	62,170,060.25	3,200,026,120.96	2,374,458,223.20	39,522,466.54	2,334,935,756.66

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

(1) Details of long-term receivables (Continued)

- Note 1: It represents the rents and interest of equipment under financial leasing receivable by Financial Leasing Company, the Company's subsidiary. As at 31 December 2024, the financial leasing receivables amounted to RMB1,259,546,924.69 (31 December 2023: RMB1,313,436,928.10).
- Note 2: It represents the electricity subsidy which has not been received by Baotou Nanfeng, Qianzhi Company, Qianxin Company, Qianhui Company, Yongcheng Zhuneng and Ningxia Zhongwei, subsidiaries of the Group engaged in new energy business. In 2024, the subsidy income (tax inclusive) recognized by the aforesaid companies based on relevant documents amounted to RMB306,998,613.65, and the subsidy received in 2024 amounted to RMB172,567,457.85.
- Note 3: In April 2024, Longli River Bridge in Guizhou (formerly known as Duo Hua Bridge) was completed and accepted and officially opened to traffic. According to the investment cooperation agreement signed between Guizhou Guishen Investment Development Company Limited ("Guishen Company"), a subsidiary of the Company, Longli County People's Government and Guizhou Guilong Industrial Group Co., Ltd., Guishen Company has an unconditional right to collect the contract consideration at the completion of the project's final acceptance and it was agreed that it may receive the amount in installments over a period of seven years from the date of final acceptance of the project. Accordingly, contract assets corresponding to the project were transferred to long-term receivables.

(2) Long-term receivables disclosed by method of bad debt provision

RMB

Category	31 December 2024					31 December 2023				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on a portfolio basis:										
Portfolio I	1,035,137,459.93	27.98	-	-	1,035,137,459.93	60,229,723.92	2.28	-	-	60,229,723.92
Portfolio II (Financial leasing receivables)	1,259,546,924.69	34.05	12,575,526.36	1.00	1,246,971,398.33	1,313,436,928.10	49.68	21,883,569.82	1.67	1,291,553,358.28
Portfolio III (Electricity subsidy income)	1,404,661,240.86	37.97	50,750,584.03	3.61	1,353,910,656.83	1,270,230,085.06	48.04	22,302,840.47	1.76	1,247,927,244.59
Total	3,699,345,625.48	100.00	63,326,110.39		3,636,019,515.09	2,643,896,737.08	100.00	44,186,410.29		2,599,710,326.79

Bad debt provision assessed on a portfolio basis

RMB

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio I			
Receivables from Longli County Government of Guizhou Province for Longli River Bridge project	974,196,249.77	-	-
Advances due from Shenzhen- Shanwei Special Cooperation Zone Development and Construction Co., Ltd	60,941,210.16	-	-
Total	1,035,137,459.93	-	-

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

(2) Long-term receivables disclosed by method of bad debt provision (Continued)

Bad debt provision assessed on a portfolio basis (Continued)

RMB

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio II (Financial leasing receivables)			
Normal	1,149,292,018.29	8,826,349.39	0.77
Attention	110,254,906.40	3,749,176.97	3.40
Total	1,259,546,924.69	12,575,526.36	

RMB

	31 December 2024		
	Gross carrying amount	Bad debt provision	Proportion (%)
Portfolio III (Electricity subsidy income)			
Electricity subsidy approved	1,254,877,286.96	12,548,772.86	1.00
Electricity subsidy under approval	149,783,953.90	38,201,811.17	25.50
Total	1,404,661,240.86	50,750,584.03	

Provision for bad debts based on general model of expected credit losses

RMB

Bad debt provision	Stage I 12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2024	44,186,410.29	–	–	44,186,410.29
Provision	28,447,743.56	–	–	28,447,743.56
Reversal	(9,308,043.46)	–	–	(9,308,043.46)
31 December 2024	63,326,110.39	–	–	63,326,110.39

(3) Details of bad debt provision

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
Financial leasing receivables	21,883,569.82	–	9,308,043.46	12,575,526.36
Electricity subsidy income	22,302,840.47	28,447,743.56	–	50,750,584.03
Total	44,186,410.29	28,447,743.56	9,308,043.46	63,326,110.39

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments

RMB

Investee	Changes for the year									
	1 January 2024	Addition	Reduction	Investment gains or losses recognised under the equity method	Adjustment to other comprehensive income	Cash dividend or profit declared	Provision for impairment	Others	31 December 2024	Shareholding proportion (%)
Guangzhou-Shenzhen-Zhuhai Expressway	5,134,578,258.54	-	-	241,192,739.54	-	(135,000,000.00)	-	-	5,240,770,998.08	45.00
Chongqing Derun Environment Co., Limited ("Derun Environment")	5,078,224,756.93	-	-	136,825,366.38	19,460,187.68	(120,000,000.00)	-	1,772,974.61	5,116,283,285.60	20.00
Guangdong Guangzhou-Zhuhai West Line Expressway Co., Ltd. ("Guangzhou-Zhuhai West Line Expressway")	3,523,861,874.47	-	-	93,115,128.73	-	(166,488,798.72)	-	-	3,450,488,204.48	50.00
Guangdong Yangmao Expressway Company Limited ("Yangmao Company")	836,776,215.81	-	-	46,937,957.71	-	(43,110,872.00)	-	-	840,603,301.52	25.00
Shenzhen International United Land Company Limited ("United Land Company")	677,656,651.67	-	-	84,681,584.86	-	-	-	(986,353.67)	761,351,882.86	34.30
E Fund - Shenzhen Expressway REITs (code: 508033) (Note 1)	-	819,000,000.00	-	24,767,862.55	-	(93,108,000.00)	-	-	750,659,862.55	40.00
Nanjing Yangtze River Third Bridge Company Limited ("Nanjing Third Bridge Company")	454,338,007.63	-	-	53,424,117.42	-	(42,928,232.82)	-	-	464,833,892.23	35.00
Guangzhou Zhentong Industrial Development Co., Ltd. ("Xintang Joint Venture") (Note 2)	432,629,214.20	-	-	(17,069,816.21)	-	-	-	-	415,559,397.99	15.00
Guangzhou Western Second Ring Expressway Company Limited ("GZ W2 Company")	334,376,765.77	-	-	58,951,590.03	-	(22,025,400.00)	-	-	371,302,955.80	25.00
Shenzhen Fenghe Energy Investment Co., Ltd. ("Fenghe Energy")	232,514,185.48	-	-	15,798,031.75	(1,556,763.95)	(19,000,000.00)	-	-	227,755,453.28	50.00
Foshan Shunde Shengchuang Shenzhen Expressway Environmental Technology Industry M&A Investment Partnership (Limited Partnership) ("Shengchuang Fund")	112,339,511.24	-	-	(12,820,574.64)	-	-	-	-	99,518,936.60	45.00
Others (Note 3)	1,898,526,679.00	-	-	125,332,521.57	18,776,448.80	(25,106,306.02)	-	(1,274,297.12)	2,016,255,046.23	-
Total	18,715,822,120.74	819,000,000.00	-	851,136,509.69	36,679,872.53	(666,767,609.56)	-	(487,676.18)	19,755,383,217.22	-

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

Note 1: In March 2024, the Company completed the issuance and listing of the E Fund – Shenzhen Expressway REITs, with Yichang Expressway owned by the former wholly-owned subsidiary Yichang Company serving as the infrastructure project. The Company, as the original equity holder, participated in the strategic placement subscription with a quantity of 120 million shares, accounting for 40% of the total number of shares offered. As part of the design of the fund's structure, the Company signed a share transfer agreement and a debt transfer agreement with Changde Yichang Enterprise Operation Management Co., Ltd. ("Changde Yichang") and Yichang Company, disposing of 100% equity of Yichang Company at RMB1,397,449,490.52. The settlement procedure was completed on 21 March 2024, and the Company lost control over Yichang Company.

In accordance with the provisions on the voting rights of the fund holders and the clauses for passing resolutions at the general meeting of fund holders stipulated in the *E Fund – Shenzhen Expressway Closed-end Infrastructure Investment Fund Prospectus*, the Company's holding of 40% of the shares can exert significant influence on the operation and investment management of the E Fund – Shenzhen Expressway REITs.

Note 2: 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 3: Others include the Group's associates and joint ventures Yunji Smart Engineering Co., Ltd. ("Yunji Smart"), Shenzhen Huayu Expressway Investment Co., Ltd. ("Huayu Company"), Guizhou Hengtongli Property Co., Ltd. ("Guizhou Hengtongli"), Bank of Guizhou Co., Ltd., Guangming Fengrunjiu (it has been included in the scope of consolidated financial statements since 24 December 2024, as described in Note VI, 1) and Huai'an Zhongheng New Energy Co., Ltd. ("Huai'an Zhongheng").

14. Other non-current financial assets

RMB

Item	31 December 2024	31 December 2023
Shenzhen Water Planning & Design Institute Co., Ltd. ("Water Planning & Design Institute")	363,513,150.00	346,519,804.81
Shenzhen State Owned Cooperative Development Private Equity Fund Partnership (Limited Partnership) ("Cooperative Development Fund")	361,489,702.38	328,721,725.86
Guangdong United Electronic Service Co., Ltd. ("United Electronic")	210,780,561.06	184,699,801.59
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. ("Yiwu Shenneng")	3,443,730.00	3,443,730.00
Total	970,911,383.44	895,069,302.26

In 2024, the gains from changes in fair value of such investments in equity instruments were RMB75,842,081.18 (2023: the gains from changes in fair value were RMB130,604,671.82). Please refer to Note V, 56.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Investment properties

(1) Investment properties measured at cost

RMB

Item	Parking space (Note)	Buildings	Total
I. Cost			
1. 1 January 2024	18,180,000.00	16,142,376.78	34,322,376.78
2. Additions	–	410,465.73	410,465.73
(1) Transfer from fixed assets	–	410,465.73	410,465.73
3. Reductions	–	520,073.58	520,073.58
(1) Transfer to fixed assets	–	520,073.58	520,073.58
4. 31 December 2024	18,180,000.00	16,032,768.93	34,212,768.93
II. Accumulated amortization			
1. 1 January 2024	8,684,283.00	2,604,101.45	11,288,384.45
2. Additions	575,724.24	850,916.29	1,426,640.53
(1) Provision	575,724.24	752,266.97	1,327,991.21
(2) Transfer from fixed assets	–	98,649.32	98,649.32
3. Reductions	–	57,393.83	57,393.83
(1) Transfer to fixed assets	–	57,393.83	57,393.83
4. 31 December 2024	9,260,007.24	3,397,623.91	12,657,631.15
III. Carrying amount			
1. 31 December 2024	8,919,992.76	12,635,145.02	21,555,137.78
2. 1 January 2024	9,495,717.00	13,538,275.33	23,033,992.33

Note: The investment property represents the parking space beneath Jiangsu Building where the headquarters of the Company locates, which is entrusted to the property company for renting to relevant car owners.

* The Group's investment properties are all located in the Chinese Mainland and held in the form of leases.

(2) As at 31 December 2024, the investment properties without certificates of ownership are listed as follows

RMB

Item	Carrying amount	Reason for not yet obtaining the certificate of ownership
The parking space beneath Jiangsu Building	8,919,992.76	No certificate of ownership will be issued for parking space in Shenzhen
Total	8,919,992.76	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Fixed assets

(1) Details of fixed assets

RMB

Item	Buildings	Traffic equipment	Motor vehicles	Office and other equipment	Mechanical equipment	Total
I. Cost						
1. 1 January 2024	3,282,016,989.76	1,663,854,497.34	52,234,297.77	136,905,850.02	4,692,535,830.21	9,827,547,465.10
2. Additions	498,853,978.00	82,738,190.38	46,614,153.69	22,707,534.77	14,156,291.04	665,070,147.88
(1) Purchase	382,253,129.86	14,833,020.64	46,581,976.70	13,576,270.39	1,561,339.94	458,805,737.53
(2) Transfer from construction in progress	116,080,774.56	67,905,169.74	32,176.99	9,084,598.89	12,594,951.10	205,697,671.28
(3) Addition due to business combinations	–	–	–	46,665.49	–	46,665.49
(4) Transfer from investment properties	520,073.58	–	–	–	–	520,073.58
3. Reductions	12,746,766.01	71,210,736.20	6,193,630.22	16,313,776.26	3,653,492.07	110,118,400.76
(1) Disposals or retirement	3,998,870.74	3,191,425.85	5,013,487.44	6,671,452.80	3,653,492.07	22,528,728.90
(2) Transfer to investment properties	410,465.73	–	–	–	–	410,465.73
(3) Others (Note)	8,337,429.54	68,019,310.35	1,180,142.78	9,642,323.46	–	87,179,206.13
4. 31 December 2024	3,768,124,201.75	1,675,381,951.52	92,654,821.24	143,299,608.53	4,703,038,629.18	10,382,499,212.22
II. Accumulated depreciation						
1. 1 January 2024	527,706,827.30	1,035,958,514.00	24,644,205.71	95,249,880.61	814,473,850.63	2,498,033,278.25
2. Additions	130,953,415.84	94,527,680.28	10,215,967.46	27,729,673.25	240,991,007.08	504,417,743.91
(1) Provision	130,896,022.01	94,527,680.28	10,215,967.46	27,729,673.25	240,991,007.08	504,360,350.08
(2) Transfer from investment properties	57,393.83	–	–	–	–	57,393.83
3. Reductions	8,616,522.46	33,777,796.51	5,264,022.58	14,016,815.20	1,610,728.84	63,285,885.59
(1) Disposals or retirement	3,877,613.89	2,642,514.78	4,729,430.46	6,253,734.57	1,610,728.84	19,114,022.54
(2) Transfer to investment properties	98,649.32	–	–	–	–	98,649.32
(3) Others (Note)	4,640,259.25	31,135,281.73	534,592.12	7,763,080.63	–	44,073,213.73
4. 31 December 2024	650,043,720.68	1,096,708,397.77	29,596,150.59	108,962,738.66	1,053,854,128.87	2,939,165,136.57
III. Provision for impairment						
1. 1 January 2024	–	–	–	–	655,667.88	655,667.88
2. Additions	34,392,136.68	–	–	2,594,438.42	5,386,895.09	42,373,470.19
(1) Provision	34,392,136.68	–	–	2,594,438.42	5,386,895.09	42,373,470.19
3. 31 December 2024	34,392,136.68	–	–	2,594,438.42	6,042,562.97	43,029,138.07
IV. Carrying amount						
1. 31 December 2024	3,083,688,344.39	578,673,553.75	63,058,670.65	31,742,431.45	3,643,141,937.34	7,400,304,937.58
2. 1 January 2024	2,754,310,162.46	627,895,983.34	27,590,092.06	41,655,969.41	3,877,406,311.70	7,328,858,518.97

Note: It mainly represents the disposal of 100.00% equity interest in Yichang Company, which led to a decrease in fixed assets. Please refer to Note V, 13.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Fixed assets (Continued)

(2) Fixed assets without certificates of ownership

RMB

Item	Carrying amount	Reason for not yet obtaining the certificate of ownership
Buildings	848,171,925.22	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 except that the handling procedures for property ownership certificate of Hesongxuan office building are in process.

(3) Impairment testing of fixed assets

The recoverable amount is determined at the fair value net of costs of disposal

RMB

Item	Carrying amount	Recoverable amount	Amount of impairment	Method for determination of fair value and costs of disposal	Key parameters	Basis to determine the key parameters
Machinery and equipment of Dezhou Zhonghe Environmental Protection Equipment Manufacturing Co., Ltd. ("Dezhou Zhonghe")	5,689,738.75	729,912.49	4,959,826.26	Market approach and incremental costs directly attributable to asset disposals	Fair value of machinery and equipment	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations

The recoverable amount is determined at the present value of the expected future cash flows

RMB

Item	Carrying amount	Recoverable amount	Amount of impairment	Projection period	Key parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
Buildings of Shenzhen Expressway Bioland Environmental Protection Equipment (Langfang) Co., Ltd. ("Langfang Bioland")	91,286,506.31	62,398,531.86	34,392,136.68	5 years	Revenue growth rate: 3.00%; discount rate: 8.00% before tax	Revenue growth rate: 2.00%; discount rate: 8.00% before tax	Market survey and management's expectations for market development
Office and other equipment of Langfang Bioland	7,300,380.86		2,594,438.42				
Machinery and equipment of Langfang Bioland	1,225,288.62		427,068.83				

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Construction in progress

(1) Details of construction in progress

RMB

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Expressway subgrade, pavement, bridge and culvert engineering	12,369,195.06	–	12,369,195.06	23,004,566.48	–	23,004,566.48
Expressway electromechanical engineering	31,322,135.55	–	31,322,135.55	56,191,653.77	–	56,191,653.77
Expressway building construction engineering	11,174,245.22	–	11,174,245.22	–	–	–
Langfang factory project	–	–	–	101,245,729.30	–	101,245,729.30
Xuanwei project	11,966,069.00	11,966,069.00	–	25,167,669.00	–	25,167,669.00
R&D Building of Qiantai Company	–	–	–	18,430,068.51	–	18,430,068.51
R&D project on BIM modeling and digital management regarding existing expressways	1,647,169.84	–	1,647,169.84	29,231,674.87	–	29,231,674.87
Others	30,578,540.29	2,195,969.80	28,382,570.49	38,614,842.31	2,195,969.80	36,418,872.51
Total	99,057,354.96	14,162,038.80	84,895,316.16	291,886,204.24	2,195,969.80	289,690,234.44



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Construction in progress (Continued)

(2) Changes in significant construction in progress during the year

RMB

Item	Budget amount	1 January 2024	Additions in the current year	Transfer to fixed assets	Transfer to intangible assets	Other reductions in the current year	31 December 2024	Proportion of the accumulated project investment to total budget (%)	Project progress (%)	Cumulative amount of interest capitalised	Including: Interest capitalised for the current year	Interest capitalisation rate for the current year (%)	Source of funds
Lanzhang factory project	117,000,000.00	101,245,729.30	309,315.58	99,726,541.57	-	1,828,503.31	-	100.00	100.00	-	-	-	Self-owned funds
R&D Building of Qiantai Company	40,000,000.00	18,430,068.51	-	18,430,068.51	-	-	-	100.00	100.00	-	-	-	Self-owned funds
R&D project on BIM modeling and digital management regarding existing expressways	44,557,000.00	29,231,674.87	-	-	27,584,505.03	-	1,647,169.84	80.00	80.00	-	-	-	Self-owned funds
Total	201,557,000.00	148,907,472.68	309,315.58	118,156,610.08	27,584,505.03	1,828,503.31	1,647,169.84	-	-	-	-	-	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Construction in progress (Continued)

(3) Provision for impairment of construction in progress for the year

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024	Reason for change
Construction project for Kunshan environmental protection project	2,195,969.80	–	–	2,195,969.80	
Construction in progress of Xuanwei project	–	11,966,069.00	–	11,966,069.00	It is expected that the recoverable amount is less than the carrying amount
Total	2,195,969.80	11,966,069.00		14,162,038.80	

(4) Provision for impairment of construction in progress for the year

The recoverable amount is determined at the fair value net of costs of disposal

RMB

Item	Carrying amount	Recoverable amount	Amount of impairment	Method for determination of fair value and costs of disposal	Key parameters	Basis to determine the key parameters
Xuanwei Project	11,966,069.00	–	11,966,069.00	Market approach and incremental costs directly attributable to asset disposals	Fair value of construction in progress	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024
(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Right-of-use assets

RMB

Item	Buildings	Total
I. Cost		
1. 1 January 2024	224,162,289.44	224,162,289.44
2. Additions	14,274,888.05	14,274,888.05
(1) Acquisitions	14,274,888.05	14,274,888.05
3. Reductions	121,776,052.94	121,776,052.94
(1) Disposals	121,776,052.94	121,776,052.94
4. 31 December 2024	116,661,124.55	116,661,124.55
II. Accumulated depreciation		
1. 1 January 2024	143,207,062.75	143,207,062.75
2. Additions	27,686,009.07	27,686,009.07
(1) Provision	27,686,009.07	27,686,009.07
3. Reductions	86,291,583.92	86,291,583.92
(1) Disposals	86,291,583.92	86,291,583.92
4. 31 December 2024	84,601,487.90	84,601,487.90
III. Provision for impairment		
1. 1 January 2024	14,754,044.72	14,754,044.72
2. Reductions	14,754,044.72	14,754,044.72
3. 31 December 2024	—	—
IV. Carrying amount		
1. 31 December 2024	32,059,636.65	32,059,636.65
2. 1 January 2024	66,201,181.97	66,201,181.97

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets

(1) Details of intangible assets

RMB

Item	Franchise rights	Office software and others	Billboard land use rights	Land use right	Contract rights	Patent use right	Total
I. Cost							
1. 1 January 2024	44,579,071,287.03	58,761,223.46	59,953,840.88	212,684,052.73	68,866,700.00	165,693,403.17	45,145,030,507.27
2. Additions	2,046,321,498.79	46,870,417.91	–	3,194,965.81	–	–	2,096,386,882.51
(1) Purchases	14,185,652.50	10,904,089.05	–	3,194,965.81	–	–	28,284,707.36
(2) Constructions	2,024,843,336.93	35,966,328.86	–	–	–	–	2,060,809,665.79
(3) Addition due to business combinations	7,292,509.36	–	–	–	–	–	7,292,509.36
3. Reductions	3,218,263,406.52	100,000.00	58,306,218.30	–	–	–	3,276,669,624.82
(1) Disposals	10,909,075.83	–	58,306,218.30	–	–	–	69,215,294.13
(2) Other reductions (Note 1)	3,207,354,330.69	100,000.00	–	–	–	–	3,207,454,330.69
4. 31 December 2024	43,407,129,379.30	105,531,641.37	1,647,622.58	215,879,018.54	68,866,700.00	165,693,403.17	43,964,747,764.96
II. Accumulated amortization							
1. 1 January 2024	14,266,877,000.99	36,544,731.09	59,836,822.47	21,483,494.23	22,761,233.83	99,147,625.16	14,506,650,907.77
2. Additions	1,707,838,485.65	15,967,143.91	69,518.28	5,740,596.54	7,578,980.74	26,234,264.60	1,763,428,989.72
(1) Provision	1,707,838,485.65	15,967,143.91	69,518.28	5,740,596.54	7,578,980.74	26,234,264.60	1,763,428,989.72
3. Reductions	1,085,452,296.36	6,111.23	58,258,718.17	–	–	–	1,143,717,125.76
(1) Disposals	6,066,824.92	–	58,258,718.17	–	–	–	64,325,543.09
(2) Other reductions (Note 1)	1,079,385,471.44	6,111.23	–	–	–	–	1,079,391,582.67
4. 31 December 2024	14,889,263,190.28	52,505,763.77	1,647,622.58	27,224,090.77	30,340,214.57	125,381,889.76	15,126,362,771.73
III. Provision for impairment							
1. 1 January 2024	3,811,235,491.81	–	–	–	–	18,050,000.00	3,829,285,491.81
2. Additions	100,755,034.13	3,919,234.42	–	–	38,526,485.43	22,261,513.41	165,462,267.39
3. 31 December 2024	3,911,990,525.94	3,919,234.42	–	–	38,526,485.43	40,311,513.41	3,994,747,759.20
IV. Carrying amount							
1. 31 December 2024	24,605,875,663.08	49,106,643.18	–	188,654,927.77	–	–	24,843,637,234.03
2. 1 January 2024	26,500,958,794.23	22,216,492.37	117,018.41	191,200,558.50	46,105,466.17	48,495,778.01	26,809,094,107.69

Note 1: Other reductions are due to the Company's disposal of 100.00% equity interest in Yichang Company, which resulted in a decrease in related intangible assets, and the settlement of kitchen waste disposal project of the Company's subsidiary, Shenzhen Expressway Bioland Environmental Technologies Corp., Ltd. ("Bioland Company"), which resulted in the adjustment to the carrying amount that was initially estimated and recorded on a provisional basis.

Note 2: In 2024, both the amount of intangible assets amortized and the amount included in profit or loss was RMB1,763,428,989.72 (2023: RMB1,813,092,547.52).

Note 3: In 2024, the Group capitalized borrowing costs on intangible assets amounting to RMB9,547,541.77 (2023: RMB12,659,236.04).

(2) As at 31 December 2024, the Group had no land use rights for which the certificate of property has not been obtained.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

(3) Details of franchise rights

RMB

Item	Cost	1 January 2024	Additions in the current year	Reductions in the current year	Amortization in the current year	Impairment in the current year	31 December 2024	Accumulated amortization	Provision for impairment
I. Franchise rights associated with toll roads									
Qinglian Expressway	9,376,976,098.51	5,209,558,219.32	90,810,612.36	-	356,019,865.33	-	4,944,348,966.35	3,812,627,132.16	620,000,000.00
Airport-Heao Expressway	6,183,088,723.54	1,997,924,715.57	839,209,062.39	9,408,256.75	153,746,813.31	-	2,673,978,707.90	3,509,110,015.64	-
Meiguan Expressway	604,588,701.64	108,072,693.59	-	-	29,487,153.38	-	78,585,540.21	526,003,161.43	-
Outer Ring Expressway	6,818,592,999.10	5,294,390,843.86	872,088,688.95	4,848,746.05	173,355,279.54	-	5,988,275,507.22	830,317,491.88	-
Shuiguan Expressway	4,448,811,774.58	921,702,818.20	-	-	442,417,352.80	-	479,285,465.40	3,417,526,309.18	552,000,000.00
Yichang Expressway	-	2,128,286,122.09	-	2,080,653,092.80	47,633,029.29	-	-	-	-
Changsha Ring Road	614,374,358.81	366,366,774.30	-	-	48,274,473.76	-	318,092,300.54	296,282,058.27	-
Coastal Expressway Shenzhen Section	10,086,278,346.00	5,800,817,058.79	143,201,932.35	5,669,187.44	243,567,535.46	-	5,694,782,268.24	1,753,260,783.15	2,638,235,294.61
Longda Expressway	251,559,214.13	51,968,296.79	-	-	16,379,674.40	-	35,588,622.39	215,970,591.74	-
Sub-total	38,384,270,216.31	21,879,087,542.51	1,945,310,296.05	2,100,579,283.04	1,510,881,177.27	-	20,212,937,378.25	14,361,097,543.45	3,810,235,294.61
II. Franchise rights associated with kitchen waste disposal									
Kitchen waste disposal of Bioland Company	3,571,940,265.56	3,301,207,108.53	-	15,986,417.36	153,447,317.32	100,755,034.13	3,031,018,339.72	439,166,694.51	101,755,231.33
Kitchen waste disposal of Guangming	800,990,874.33	736,764,559.13	79,533,040.88	15,306,725.68	-	-	800,990,874.33	-	-
Kitchen waste disposal of Shaoyang	320,000,000.00	310,000,000.00	10,000,000.00	-	6,222,720.00	-	313,777,280.00	6,222,720.00	-
Kitchen waste disposal of Lisai Environmental Protection	277,184,821.61	229,573,797.13	4,185,652.52	-	34,963,723.16	-	198,795,726.49	78,389,095.12	-
Sub-total	4,970,115,961.50	4,577,545,464.79	93,718,693.40	31,293,143.04	194,633,760.48	100,755,034.13	4,344,582,220.54	523,778,509.63	101,755,231.33
III. Other franchise rights									
Shenzhen Guangming welfare institute project	45,476,486.24	44,325,786.93	-	912,889.99	2,323,547.90	-	41,089,349.04	4,387,137.20	-
Shenzhen Guangming Community Integrated Service Center Project	7,266,715.25	-	7,292,509.34	25,794.09	-	-	7,266,715.25	-	-
Sub-total	52,743,201.49	44,325,786.93	7,292,509.34	938,684.08	2,323,547.90	-	48,356,064.29	4,387,137.20	-
Total	43,407,129,379.30	26,500,958,794.23	2,046,321,498.79	2,132,811,110.16	1,707,838,485.65	100,755,034.13	24,605,875,663.08	14,889,263,190.28	3,911,990,525.94

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

(4) Impairment testing of intangible assets for the year

The recoverable amount is determined at the fair value net of costs of disposal

RMB

Item	Carrying amount of the asset group	Recoverable amount	Amount of impairment	Method for determination of fair value and costs of disposal	Key parameters	Basis to determine the key parameters
Software and others	3,919,234.42	–	3,919,234.42	Market approach and incremental costs directly attributable to asset disposals	Fair value of software	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations
Patent use right	22,261,513.41	–	22,261,513.41	Market approach and incremental costs directly attributable to asset disposals	Fair value of patent	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations
Contract rights of Qiantai Company	38,526,485.43	–	38,526,485.43	Market approach and incremental costs directly attributable to asset disposals	Fair value of contract rights	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations
Franchise rights of Ya'an Shenlan Environmental Protection Technology Co., Ltd. ("Ya'an Bioland")	15,158,571.95	–	15,158,571.95	Market approach and incremental costs directly attributable to asset disposals	Fair value of franchise rights	Probable transaction price at the measurement date, which is an arm's length price under ordinary commercial considerations
Total	79,865,805.21	–	79,865,805.21			



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

(4) Impairment testing of intangible assets for the year (Continued)

The recoverable amount is determined at the present value of the expected future cash flows

RMB

Item	Carrying amount of the asset group (Note 1)	Recoverable amount	Amount of impairment	Projection period (Note 2)	Key parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
Franchise rights of Zhuji Bioland	198,458,974.26	175,683,661.67	22,775,312.59	2025 – 2049	Average revenue growth rate: 2.60%; discount rate: 8.00% before tax	N/A	N/A
Franchise rights of Handan Bioland	152,419,013.46	145,825,008.34	6,594,005.12	2025 – 2046	Average revenue growth rate: 3.49%; discount rate: 8.00% before tax	N/A	N/A
Franchise rights of Guilin Bioland	268,711,528.88	257,833,768.38	10,877,760.50	2025 – 2046	Average revenue growth rate: 5.00%; discount rate: 8.00% before tax	N/A	N/A
Franchise rights of Beihai Zhonglan	71,982,590.25	43,080,297.25	28,902,293.00	2025 – 2051	Average revenue growth rate: 4.33%; discount rate: 8.00% before tax	N/A	N/A
Total	691,572,106.85	622,422,735.64	69,149,371.21				

Note 1: It represents the carrying amount of the asset group containing intangible assets.

Note 2: As at 31 December 2024, the management of the Group projected the future cash flows based on a detailed projection period starting from 1 January 2025 to the end of the franchise rights associated with the kitchen waste disposal.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Goodwill

(1) Cost of goodwill

RMB

Name of investee	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
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	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
Nanjing Wind Power	156,039,775.24	–	–	156,039,775.24

(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



NOTES TO FINANCIAL STATEMENTS

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(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Goodwill (Continued)

(4) Specific method for determination of recoverable amount

The recoverable amount is determined at the present value of the expected future cash flows

RMB

Item	Carrying amount (Note 1)	Recoverable amount	Amount of impairment	Projection period (Note 2)	Key parameters for projection period (growth rate, profit margins, etc.)	Basis to determine parameters for projection period	Key parameters for steady period (growth rate, profit margins, discount rate, etc.)	Basis to determine the key parameters for steady period
Bay Area Development asset group	6,612,432,326.89	6,684,947,300.00	–	Guangzhou-Shenzhen Section of Beijing- Hongkong & Macao Expressway: 2025 – 2052 West Line Expressway: 2025 – 2038	Guangzhou-Shenzhen Section of Beijing- Hongkong & Macao Expressway: revenue growth rate: (4.95%)- 13.79%; discount rate: 7.12% before tax West Line Expressway: revenue growth rate: (42.09%)-8.63%; discount rate: 7.83% before tax	Revenue growth rate is determined based on the regional economic development, road network planning, accessibility and inflation rates, etc. Discount rate is the pre-tax interest rate that reflects the current market time value of money and the risks specific to the underlying asset group.	N/A	N/A

Note 1: It represents the carrying amount of the asset group containing goodwill.

Note 2: As at 31 December 2024, the management of the Group projected the future cash flows based on a detailed projection period starting from 2025 to the end of the franchise rights of Guangzhou-Shenzhen Section of Beijing-Hongkong & Macao Expressway and West Line Expressway.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB

Item	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment and amortization of franchise rights of Coastal Expressway	217,014,426.88	54,253,606.72	373,750,686.76	93,437,671.69
Compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Nanguang Expressway, Yanba Expressway and Yanpai Expressway ("Three Expressways") (Note 1)	140,544,931.35	35,136,232.84	178,104,931.35	44,526,232.84
Employee benefits accrued but not paid	119,945,892.12	29,986,473.03	121,079,026.88	30,269,756.72
Deductible losses	49,722,367.84	12,430,591.96	294,222,156.72	73,555,539.18
Adjustments to fair values of net assets of merged enterprises such as Shenchang Expressway Co., Ltd in Changsha, Hunan ("Shenchang Company"), etc.	96,067,761.63	24,016,940.41	111,904,206.11	27,976,051.53
Compensation for operating expenses of newly-built toll stations on and toll adjustments regarding Longda Expressway (Note 1)	89,665,931.77	22,416,482.91	119,248,638.49	29,812,159.59
Expenses accrued but not paid	86,693,156.44	21,673,289.11	66,810,750.80	16,702,687.70
Provisions (Note 2)	67,027,751.76	13,801,855.79	79,299,874.80	16,869,886.55
Bad debt provision	60,762,146.18	14,407,273.10	87,560,678.69	17,980,972.08
Impairment losses of assets	41,948,730.67	8,153,694.16	70,814,838.07	15,278,390.55
Amortization of other franchise rights	42,814,230.16	10,703,557.54	60,062,682.48	15,015,670.62
Meiguan Company – property relocation compensation (Note 3)	36,154,374.96	9,038,593.74	43,557,234.64	10,889,308.66
Compensation for operating expenses of newly-built road ramp on Meiguan Expressway (Note 4)	29,430,883.96	7,357,720.99	42,511,276.60	10,627,819.15
Interest receivable due to capital reduction of United Land Company (Note 5)	7,331,523.64	1,832,880.91	8,832,704.08	2,208,176.02
Compensation for demolition costs of old toll stations on Three Expressways and Longda Expressway	7,176,461.64	1,794,115.41	7,176,461.64	1,794,115.41
Lease liabilities	31,703,802.65	7,124,248.44	79,847,804.74	19,862,036.21
Others	60,857,673.08	10,371,114.08	70,745,195.21	12,842,994.61
Total	1,184,862,046.73	284,498,671.14	1,815,529,148.06	439,649,469.11

Note 1: 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 2: 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.

NOTES TO FINANCIAL STATEMENTS

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(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(1) Deferred tax assets before offsetting (Continued)

Note 3: Meiguan Company, the Company's subsidiary, recognized the future relocation property compensated by United Land Company, an associate of the Group, as fixed assets. Considering the impact of the unrealized profits of the associate, the Group recognized the corresponding deferred tax assets for the temporary difference between the tax base and carrying amount of fixed 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%.

(2) Deferred tax liabilities before offsetting

RMB

Item	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not involving entities under common control				
– Shenzhen Qinglong Expressway Co., Ltd. (“Qinglong Company”)	294,323,796.69	73,580,949.18	566,007,301.73	141,501,825.44
– Yichang Company	–	–	763,325,569.58	190,831,392.40
– Guangdong Qinglian Highway Development Co., Ltd. (“Qinglian Company”)	450,819,849.28	109,400,155.41	483,888,689.04	117,667,365.35
– Airport-Heao Eastern Company	244,939,890.60	61,234,974.64	332,874,013.36	83,218,505.33
– Bioland Company	437,855,275.91	107,642,568.61	458,710,721.31	112,856,429.96
– Lisai Environmental Protection	131,658,218.94	19,748,732.84	147,309,697.07	22,096,454.56
– Qiantai Company	73,687,678.73	11,053,151.81	122,116,558.20	18,317,483.73
– Nanjing Wind Power	–	–	12,097,673.20	1,814,650.98
– Baotou Nanfeng	27,045,989.44	6,761,497.36	28,801,244.80	7,200,311.20
– Meiguan Company	–	–	215,034.44	53,758.61
– Shenzhen Expressway New Energy Holding Co., LTD. (“New Energy Company”)	12,491,024.12	3,122,756.03	13,450,767.32	3,362,691.83
Amortization of franchise rights (Note)	73,286,675.00	18,321,668.75	436,336,407.00	109,084,101.75
Compensation for valuation adjustment mechanism	129,822,937.64	27,552,499.17	148,419,868.53	32,824,283.13
Right-of-use assets	32,059,636.65	7,320,603.82	66,201,181.97	13,693,864.03
Taxes on dividends and bonuses of Bay Area Development	3,571,703,028.00	178,585,151.40	3,135,144,355.80	156,757,217.79
Appreciation in the valuation of non-current financial assets	528,545,300.44	129,075,619.59	452,703,219.26	110,506,451.57
Others	1,309,029,707.12	259,903,509.41	1,049,049,097.59	194,908,357.03
Total	7,317,269,008.56	1,013,303,838.02	8,216,651,400.20	1,316,695,144.69

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)

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

(3) Deferred tax assets or liabilities presented on net basis

RMB

Item	Offsetting amount of deferred tax assets and liabilities as at 31 December 2024	Deferred tax assets or liabilities after offsetting as at 31 December 2024	Offsetting amount of deferred tax assets and liabilities as at 31 December 2023	Deferred tax assets or liabilities after offsetting as at 31 December 2023
Deferred tax assets	(154,121,986.86)	130,376,684.28	(168,204,359.74)	271,445,109.37
Deferred tax liabilities	(154,121,986.86)	859,181,851.16	(168,204,359.74)	1,148,490,784.95

(4) Details of unrecognized deferred tax assets

RMB

Item	31 December 2024	31 December 2023
Deductible losses	2,120,271,920.09	1,326,713,339.21
Deductible temporary differences	989,028,185.71	365,258,835.46
Total	3,109,300,105.80	1,691,972,174.67

(5) Deductible losses for which deferred tax assets are not recognized will expire in the following years

RMB

Year	31 December 2024	31 December 2023
2024	–	46,885,054.42
2025	144,366,030.06	59,229,762.99
2026	229,308,074.28	186,818,451.79
2027	477,020,226.94	527,306,480.37
2028	517,949,554.64	506,473,589.64
2029	751,628,034.17	–
Total	2,120,271,920.09	1,326,713,339.21



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For the year ended 31 December 2024

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V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

RMB

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets over one year (Note 1)	1,763,574,756.21	-	1,763,574,756.21	2,661,993,597.28	-	2,661,993,597.28
Meiguan Company – property relocation compensation (Note 2)	-	-	-	342,599,500.00	-	342,599,500.00
Pending deduction of input tax over one year	171,993,521.78	-	171,993,521.78	210,869,870.90	-	210,869,870.90
Others	1,149,104.11	-	1,149,104.11	1,149,104.11	-	1,149,104.11
Total	1,936,717,382.10	-	1,936,717,382.10	3,216,612,072.29	-	3,216,612,072.29

Note 1: 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, and the contract assets corresponding to the revenue recognized for Bimeng Construction Project.

Note 2: According to the *Compensation Agreement for Meilinguan Urban Renewal Project of Shenzhen Longhua District Minzhi Office*, United Land Company paid the compensation for demolition of RMB28,328,230.00 regarding the lands in Meilinguan held by Meiguan Company, a subsidiary of the Company in July 2016. On 27 April 2018, the two parties entered into the *Supplementary Agreement to the Compensation Agreement for Meilinguan Urban Renewal Project of Shenzhen Longhua District Minzhi Office*, which agreed that United Land Company shall pay property relocation compensation on the basis of the above monetary compensation, the compensated relocation property shall be the office building to be constructed by United Land Company, and the compensated building area shall be 9,120 square meters. On the date of signing the supplementary agreement, according to the evaluation report issued by Shenzhen Pengxin Assets Appraisal Co., Ltd. (Peng Xin Zi Gu Bao Zi [2018] No. 062), the fair value of the relocation property was RMB342,599,500.00, and this relocation property was completed and delivered in 2024.

23. Assets with ownership or use right restricted

RMB

Item	31 December 2024				31 December 2023			
	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	238,088,357.47	238,088,357.47	Note 1	Note 1	197,147,405.73	197,147,405.73	Note 1	Note 1
Long-term receivables	615,209,283.95	611,073,089.69	Pledge	Pledge for borrowings	842,781,250.01	827,438,727.29	Pledge	Pledge for borrowings
Intangible assets – franchise rights	28,156,966,804.10	14,776,403,557.02	Pledge	Pledge for borrowings	26,696,110,631.65	14,695,939,786.11	Pledge	Pledge for borrowings and finance leases
Intangible assets- land use right	-	-			90,228,000.00	88,096,114.82	Mortgage	Mortgage for borrowings
Total	29,010,264,445.52	15,625,565,004.18			27,826,267,287.39	15,808,622,033.95		

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Assets with ownership or use right restricted (Continued)

Note 1: Refer to Note V, 1 for details.

Note 2: In addition to those mentioned above, the Group pledged with the 100% equity and charging rights to electric charge of Qianxin Company, the 100% equity and charging rights to electric charge of Qianzhi Company, the 100% equity and charging rights to electric charge of Qianhui Company, the equity of kitchen waste disposal projects of certain subsidiaries of Bioland Company, and the charging rights to electric charge of Yongcheng Zhuneng and wind power enterprises under Baotou Nanfeng as security for borrowings.

Note 3: The principal of bank borrowings obtained by the Group through mortgages and pledges of the aforesaid assets and the balance of liabilities arising from sale and leaseback transactions totaled RMB6,499,296,279.64.

24. Short-term borrowings

(1) Categories of short-term borrowings

RMB

Item	31 December 2024	31 December 2023
Guaranteed borrowings	1,529,763,556.48	1,471,934,733.60
Credit borrowings	1,044,085,628.01	368,993,001.88
Pledged borrowings	–	9,226,577,924.66
Borrowings in the form of discounted notes	–	38,120,176.71
Total	2,573,849,184.49	11,105,625,836.85

(2) Details of guaranteed borrowings

RMB

Name of entity	31 December 2024	Pledged by
Ping An Bank Hong Kong Branch	848,136,456.00	Bay Area Development
Bank of China (Hong Kong) Limited	443,728,594.08	Bay Area Development
Shanghai Pudong Development Bank	197,898,506.40	Bay Area Development
China Merchants Bank Co., Ltd. Nanning Branch	40,000,000.00	Bioland Company
Total	1,529,763,556.48	



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Transactional financial liabilities

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024	Reason and basis for designation
Obligation to pay the difference	148,117,309.14	62,660,833.91	13,113,423.39	197,664,719.66	N/A
Total	148,117,309.14	62,660,833.91	13,113,423.39	197,664,719.66	

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. In 2024, the Group paid for the difference of HKD14,382,672.07 (equivalent to RMB13,113,423.39) for CMF Global's failure to reach the agreed level of annual investment return obtained by it through Bay Area Development. As at 31 December 2024, the balance of the Group's liability for the difference make-up obligation recognized amounted to RMB197,664,719.66.

26. Bills payable

Presentation of bills payable

RMB

Item	31 December 2024	31 December 2023
Commercial acceptance bills	853,453,402.08	26,729,231.57
Bank acceptance bills	17,225,000.00	63,006,281.67
Total	870,678,402.08	89,735,513.24

As at 31 December 2024, the Group had no overdue bills payable.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Accounts payable

(1) Presentation of accounts payable

RMB

Item	31 December 2024	31 December 2023
Payables for construction projects, quality deposits and security deposits	2,466,684,629.14	1,883,158,134.56
Payables for goods	402,901,125.35	563,431,778.05
Others	118,220,326.16	141,955,611.06
Total	2,987,806,080.65	2,588,545,523.67

(2) Significant accounts payable aged over one year

RMB

Item	31 December 2024	Reason for failure in repayment or carry-forward
Total of top five accounts payable aged over one year	480,417,091.66	Unsettled project funds

28. Advances from customers

(1) Presentation of advances from customers

RMB

Item	31 December 2024	31 December 2023
Income from advertising billboard received in advance	787,138.81	623,460.97



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Contract liabilities

(1) Details of contract liabilities

RMB

Item	31 December 2024	31 December 2023
Advances from sales of goods	24,621,412.66	45,554,145.00
Advances from sales of real estate	19,895,133.02	12,621,993.58
Advances from operating and management fees	6,839,226.27	—
Advances from sales of wind turbine	5,410,833.00	5,993,361.00
Others	4,946,233.03	2,979,775.76
Total	61,712,837.98	67,149,275.34

(2) There is no amount with significant change in carrying amount during the year.

30. Employee benefits payable

(1) Presentation of employee benefits payable

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
I. Short-term wages	373,665,847.33	1,047,796,735.87	1,070,355,429.44	351,107,153.76
II. Post-employment benefits – defined contribution plans	5,025,553.50	112,912,486.04	110,398,755.59	7,539,283.95
Total	378,691,400.83	1,160,709,221.91	1,180,754,185.03	358,646,437.71

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable (Continued)

(2) Presentation of short-term benefits

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
I. Wages and salaries, bonuses, allowances and subsidies	346,279,253.32	812,064,265.18	835,918,910.23	322,424,608.27
II. Staff welfare	6,694,491.42	107,204,314.14	106,554,612.73	7,344,192.83
III. Social security contributions	1,263,590.41	32,026,465.25	32,436,136.09	853,919.57
Including: Medical insurance	1,068,753.66	25,483,456.71	25,885,085.71	667,124.66
Work injury insurance	108,622.44	3,994,662.87	3,983,202.87	120,082.44
Maternity insurance	86,214.31	2,548,345.67	2,567,847.51	66,712.47
IV. Housing funds	1,619,264.14	67,292,710.66	67,118,497.93	1,793,476.87
V. Labor union funds and employee education funds	11,842,676.71	18,762,862.63	19,628,796.96	10,976,742.38
VI. Others	5,966,571.33	10,446,118.01	8,698,475.50	7,714,213.84
Total	373,665,847.33	1,047,796,735.87	1,070,355,429.44	351,107,153.76

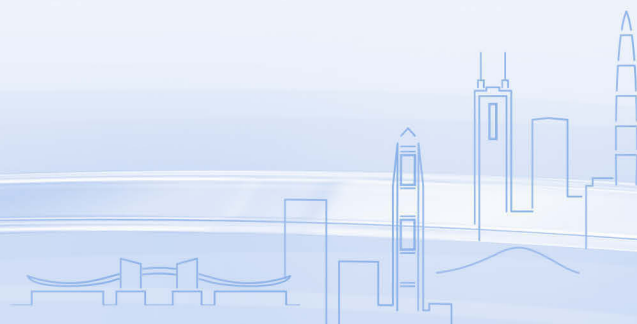
(3) Presentation of defined contribution plans

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
1. Basic pensions	2,413,620.98	81,547,061.43	81,825,883.52	2,134,798.89
2. Unemployment insurance	120,776.00	4,077,353.07	4,091,389.12	106,739.95
3. Enterprise annuities	2,491,156.52	27,288,071.54	24,481,482.95	5,297,745.11
Total	5,025,553.50	112,912,486.04	110,398,755.59	7,539,283.95

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.

In 2024, the Group should contribute pension insurance and unemployment plans amounting to RMB81,547,061.43 and RMB4,077,353.07 (2023: RMB71,331,159.02 and RMB3,569,364.06), respectively. As at 31 December 2024, the Group has outstanding contributions to pension insurance and unemployment plans that are due as at the reporting period amounting to RMB2,134,798.89 and RMB106,739.95 (31 December 2023: RMB2,413,620.98 and RMB120,776.00).



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Taxes payable

RMB

Item	31 December 2024	31 December 2023
VAT	165,987,502.89	155,442,202.53
Enterprise income tax	156,532,567.91	238,064,126.25
Land appreciation tax	23,611,892.32	61,231,620.93
City maintenance and construction tax	3,126,377.08	2,785,914.16
Educational surcharge	2,416,671.42	2,134,895.26
Others	5,845,845.07	2,384,764.01
Total	357,520,856.69	462,043,523.14

32. Other payables

32.1 Presentation of other payables

RMB

Item	31 December 2024	31 December 2023
Dividends payable	85,013,326.10	5,622,222.18
Other payables	1,083,986,965.13	1,053,822,933.32
Total	1,169,000,291.23	1,059,445,155.50

32.2 Dividends payable

Presentation by category

RMB

Item	31 December 2024	31 December 2023
Perpetual bond dividends classified as equity instruments	3,911,111.11	5,622,222.18
Including: Perpetual bond dividends	3,911,111.11	5,622,222.18
Dividends payable – Shareholders of Shenchang Company	80,360,000.00	–
Dividends payable – Shareholders of Sichuan Lansheng	742,214.99	–
Total	85,013,326.10	5,622,222.18

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Other payables (Continued)

32.3 Other payables

(1) Presentation of other payables by nature

RMB

Item	31 December 2024	31 December 2023
Accrued project expenditure and special administrative expenses	216,220,839.40	109,851,547.96
Accounts payable to related parties (Note XI, 6(2))	182,907,034.91	119,122,773.42
Payables for tender and performance deposits and warranty	135,098,350.66	183,088,858.68
Payables related to maintenance for roads	126,714,536.78	125,346,026.75
Payables for mechanical and electrical costs	67,623,735.44	53,598,750.10
Project funds retained for construction management contracts	62,586,689.26	6,550,866.02
Payables for provincial toll station cancellation project	29,182,658.08	29,182,658.08
Receipts of liquidated damages for equity transfer of Guizhou Xinhe Lifu Real Estate Development Co., Ltd.	20,412,000.00	20,412,000.00
Payables for agent-construction of Coastal Expressway Phase II Project	19,378,599.38	19,378,599.38
Payables related to independent costs of agent-construction projects	10,915,545.35	10,915,545.35
Payables for equity acquisition	6,475,000.00	6,910,811.23
Payables for demolition of old stations	6,273,174.30	6,486,749.57
Payables for subscription funds and down deposits for real estate sales	3,293,000.00	2,653,070.10
Payables for country road construction and management service of Hunan Province	3,041,574.14	3,041,574.14
Payables for the construction of the interchange project at the Shenzhen World Exhibition & Convention Center	–	139,855,284.60
Others	193,864,227.43	217,427,817.94
Total	1,083,986,965.13	1,053,822,933.32

(2) Significant other payables aged over one year

As at 31 December 2024, the Group had no significant other payables aged over one year.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Non-current liabilities due within one year

RMB

Item	31 December 2024	31 December 2023
Long-term borrowings due within one year (Note V, 35)	2,393,570,384.34	997,739,421.30
Including: Credit borrowings	1,014,529,656.43	626,403,768.06
Guaranteed borrowings	864,681,782.81	227,548,950.05
Pledged borrowings	514,358,945.10	139,786,703.19
Mortgage borrowings	–	4,000,000.00
Bonds payable due within one year (Note V, 36)	134,874,566.81	1,335,987,865.40
Lease liabilities due within one year (Note V, 37)	15,807,598.80	34,233,673.74
Long-term payables due within one year (Note V, 38)	–	24,061,952.56
Total	2,544,252,549.95	2,392,022,913.00

34. Other current liabilities

RMB

Item	31 December 2024	31 December 2023
Ultra-short-term financing bonds (Note)	3,016,271,998.43	1,512,594,613.40
Output tax to be transferred	37,105,032.72	21,884,154.50
Total	3,053,377,031.15	1,534,478,767.90

Note: RMB1.5 billion of ultra-short-term financing bonds was issued by the Company on 22 July 2024 with an annual interest rate of 1.75% and a term of 270 days; and RMB1.5 billion of ultra-short-term financing bonds was issued by the Company on 28 October 2024 with an annual interest rate of 2.03% and a term of 80 days.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Long-term borrowings

Categories of long-term borrowings

RMB

Item	31 December 2024	31 December 2023	Range of interest rate
Credit borrowings	7,561,118,531.05	2,375,405,546.00	2.10%-3.30%
Pledged borrowings	5,679,260,372.98	5,114,340,659.80	2.25%-3.76%
Guaranteed borrowings	2,233,619,257.84	2,378,084,182.40	2.30%-5.84%
Guaranteed and pledged borrowings	528,469,240.00	538,551,740.00	2.65%-3.95%
Guaranteed, mortgage and pledged borrowings	291,566,666.66	54,600,000.00	2.80%-3.15%
Mortgage borrowings	–	96,000,000.00	
Accrued interest	11,809,650.02	8,465,102.89	
Total	16,305,843,718.55	10,565,447,231.09	
Less: Long-term borrowings due within one year (Note V, 33)	2,393,570,384.34	997,739,421.30	
Long-term borrowings due after one year	13,912,273,334.21	9,567,707,809.79	

36. Bonds payable

(1) Categories of bonds payable

RMB

Item	31 December 2024	31 December 2023
Long-term corporate bonds	7,801,114,988.35	6,469,450,498.51
Medium-term notes	2,527,982,642.74	2,025,640,823.60
Total	10,329,097,631.09	8,495,091,322.11
Less: Bonds payable due within one year (Note V, 33)	134,874,566.81	1,335,987,865.40
Bonds payable due after one year	10,194,223,064.28	7,159,103,456.71



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Bonds payable (Continued)

(2) Details of bonds payable

Name of bonds	Par value	Coupon rate (%)	Date of issuance	Maturity	Issued amount	1 January 2024	Issue amount in the current year		Discount and issue fee amortisation	Effects of foreign currency translation	Payment amount in the current year	31 December 2024	Is it in breach of contract
							current year	per value					
Long-term corporate bonds	USD300,000,000.00	1.75	8 July 2021	5 years	2,155,520,000.00	2,134,132,769.18	-	37,698,301.18	3,746,811.98	31,710,000.00	37,479,816.74	2,169,808,055.60	No
Long-term corporate bonds	1,500,000,000.00	3.18	20 January 2022	7 years	1,500,000,000.00	1,542,235,252.07	-	47,702,250.00	573,099.70	-	47,702,250.00	1,542,808,351.77	No
Long-term corporate bonds	1,200,000,000.00	3.49	15 April 2021	5 years	1,200,000,000.00	1,228,007,183.59	-	12,569,660.39	1,359,759.90	-	1,241,956,603.88	-	No
Long-term corporate bonds	1,000,000,000.00	3.35	23 July 2021	5 years	1,000,000,000.00	1,012,947,590.30	-	33,500,000.04	560,318.69	-	33,500,000.00	1,013,507,909.03	No
Long-term corporate bonds	550,000,000.00	2.88	17 October 2023	3 years	550,000,000.00	552,127,703.37	-	15,840,747.12	400,093.61	-	15,840,747.17	552,527,796.93	No
Long-term corporate bonds (Note 1)	550,000,000.00	2.25	27 May 2024	3 years	550,000,000.00	-	550,000,000.00	7,390,973.59	(423,738.96)	-	-	556,967,214.63	No
Long-term corporate bonds (Note 1)	950,000,000.00	2.70	27 May 2024	10 years	950,000,000.00	-	950,000,000.00	15,319,472.61	(883,657.12)	-	-	964,435,815.49	No
Long-term corporate bonds (Note 1)	1,000,000,000.00	2.20	2 December 2024	5 years	1,000,000,000.00	-	1,000,000,000.00	1,833,419.81	(773,584.91)	-	-	1,001,059,894.90	No
Medium-term notes	1,000,000,000.00	2.89	22 May 2023	3 years	1,000,000,000.00	1,016,700,927.25	-	28,900,477.08	339,609.50	-	28,900,000.00	1,017,041,088.83	No
Medium-term notes	1,000,000,000.00	3.05	4 September 2023	5 years	1,000,000,000.00	1,008,939,901.35	-	30,500,503.56	201,806.05	-	30,500,503.54	1,009,141,707.42	No
Medium-term notes (Note 2)	500,000,000.00	2.16	21 October 2024	3 years	500,000,000.00	-	500,000,000.00	2,130,035.17	(330,188.68)	-	-	501,759,846.49	No
Total						8,495,091,322.11	3,000,000,000.00	233,385,840.55	4,770,389.76	31,710,000.00	1,455,899,921.33	10,329,097,631.09	

RMB

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

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 ([2024] No. 576). (1) On 27 May 2024, the Company completed the issuance of "24 Shen Gao 01", and the actual issuance scale was RMB550,000,000.00. The bond was issued at the rate of 2.25%. The term of the bond is 3 years, and the interest-bearing term is from 27 May 2024 to 27 May 2027. The bonds bear interest on a fixed interest basis, and the interest is repaid annually, with a lump sum repayment of principal at maturity. (2) On 27 May 2024, the Company completed the issuance of "24 Shen Gao 02", and the actual issuance scale was RMB950,000,000.00. The bond was issued at the rate of 2.70%. The term of the bond is 10 years, and the interest-bearing term is from 27 May 2024 to 27 May 2034. The bonds bear interest on a fixed interest basis, and the interest is repaid annually, with a lump sum repayment of principal at maturity. (3) On 2 December 2024, the Company also completed the issuance of "24 Shen Gao 03", and the actual issuance scale was RMB1,000,000,000.00. The bond was issued at the rate of 2.20%. The term of the bond is 5 years, and the interest-bearing term is from 2 December 2024 to 2 December 2029. 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

On 21 October 2024, the Company issued the first phase of 2024 medium-term notes of RMB500,000,000.00, which bear a term of 3 years and interest at a rate of 2.16%, with an inception date of interest on 21 October 2024 and a due date on 21 October 2027. The funds raised are intended to be used to repay the Company's maturing debt financing instruments.

37. Lease liabilities

RMB

Item	31 December 2024	31 December 2023
Lease liabilities	31,703,802.65	79,847,804.74
Less: Lease liabilities included in non-current liabilities due within one year (Note V, 33)	15,807,598.80	34,233,673.74
Net amount	15,896,203.85	45,614,131.00

The analysis of the Group's lease liabilities based on the maturity period of the undiscounted remaining contractual obligations is as follows:

RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2024	16,613,623.72	12,547,223.39	3,742,849.56	47,619.05	32,951,315.72
31 December 2023	35,091,767.30	23,098,237.92	39,419,890.62	3,836,515.45	101,446,411.29



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payables

(1) Presentation of long-term payables by nature

RMB

Item	31 December 2024	31 December 2023
Borrowings from associates and joint ventures (Note XI, 6(2))	387,586,715.85	824,596,715.85
Financial liabilities arising from sale and leaseback transactions (Note)	–	106,743,102.98
Total	387,586,715.85	931,339,818.83
Less: Long-term payables due within one year (Note V, 33)	–	24,061,952.56
Long-term payables due after one year	387,586,715.85	907,277,866.27

Note: As at 31 December 2023, the balance arising from sale and leaseback transactions represents the long-term payables arising from the sale and leaseback of the equipment of Guangxi Bioland, a subsidiary of Bioland Company, for which Shenzhen Expressway Environment Co., Ltd. ("Environment Company") provided joint and several liability guarantee. As of 31 December 2024, the long-term payables have been repaid in advance.

39. Long-term employee benefits payable

RMB

Item	31 December 2024	31 December 2023
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.

40. Provisions

RMB

Item	31 December 2024	31 December 2023
Cost of services in the future (Note 1)	144,424,808.03	151,602,590.20
Subsequent expenditure on kitchen waste disposal project (Note 2)	62,207,791.74	47,505,506.46
Pending litigation or arbitration	28,625,430.96	3,805,664.91
Product warranty	6,785,851.15	207,378.06
Total	242,043,881.88	203,121,139.63

Note 1: The estimated cost of services of toll roads in the future accrued by the Group according to relevant government documents.

Note 2: It represents the expenditure expected to be incurred by the Group to maintain a certain service capacity of the kitchen waste disposal assets it holds or to maintain a certain state of use of these assets before they are handed over to the contract grantor.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Deferred revenue

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	Other changes	31 December 2024	Reason
Compensation for future operating expenses of new stations on Nanguang Expressway and Yanpai Expressway	178,104,931.35	–	37,560,000.00	–	140,544,931.35	Compensation from Shenzhen government for future operating expenses of new stations on and toll adjustments regarding Nanguang Expressway and Yanpai Expressway
Compensation for future operating expenses of new stations on the free section of Longda Expressway	119,248,638.49	–	29,582,706.72	–	89,665,931.77	Compensation from Shenzhen government for future operating expenses of new stations on and toll adjustments regarding the Shenzhen section of Longda Expressway
Compensation for operating expenses regarding the new ramp on the free section of Meiguan Expressway	42,511,276.60	–	13,080,392.64	–	29,430,883.96	Compensation from Shenzhen government for future operating expenses of new ramps on and toll adjustments regarding Meiguan Expressway
Central subsidy funds for cancellation of the provincial expressway toll station project	23,122,673.06	–	6,232,553.55	(4,558,959.89)	12,331,159.62	The Ministry of Transport's cash subsidies for cancellation of the provincial expressway toll station project regarding the toll roads of the Company
Government economic grants for Bioland Company	19,717,768.95	3,138,870.00	1,005,081.07	–	21,851,557.88	Government grants for equipment received by Bioland Company
Government compensation for demolition	5,493,977.82	–	2,746,988.88	–	2,746,988.94	Government compensation for demolition received by Qinglong Company
Government financial grants for Guizhou Land	476,361.30	–	11,060.95	–	465,300.35	Government financial grants received by Guizhou Land from Guizhou Longli County Government
Total	388,675,627.57	3,138,870.00	90,218,783.81	(4,558,959.89)	297,036,753.87	



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Equity

RMB

Item	1 January 2024	Changes for the year					31 December 2024
		New shares issued	Bonus issue	Transfer from reserve	Others	Sub-total	
Equity	2,180,770,326.00	-	-	-	-	-	2,180,770,326.00

43. Other equity instruments

As at 31 December 2024, 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 bonds (Note)	4 December 2020	Other equity instruments	4.60%, 3.20%	4,000,000,000.00	No fixed deadline	Nil	Nil

Note: The initial interest rate on the Group's outstanding perpetual bonds was adjusted from 4.60% per annum to 3.20% per annum on 4 December 2024.

44. Capital reserve

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year (Note 2)	31 December 2024
Share premium	4,112,260,438.36	-	3,951,348.94	4,108,309,089.42
Including: Contributions from investors	1,444,510,961.24	-	-	1,444,510,961.24
Business combination involving entities under common control	2,759,887,122.51	-	-	2,759,887,122.51
Acquisition of minority interests in subsidiaries	(91,126,124.06)	-	3,951,348.94	(95,077,473.00)
Capital injection in the investee	(1,011,521.33)	-	-	(1,011,521.33)
Other capital reserve (Note 1)	277,078,323.57	6,807,007.16	-	283,885,330.73
Total	4,389,338,761.93	6,807,007.16	3,951,348.94	4,392,194,420.15

Note 1: The Group increased the capital reserve by RMB6,807,007.16 in proportion to its shareholdings based on the change in capital reserve of joint ventures and associates held by it.

Note 2: Refer to Note VII, 2(2).

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income

RMB

Item	Amount incurred in the current year						31 December 2024
	1 January 2024	Pre-tax amount incurred during the year	Less: Amount included in other comprehensive income in the previous period and transferred to profit or loss in the current year	Less: Income tax expenses	Amount attributable to the Company, net of tax	Amount attributable to minority shareholders, net of tax	
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	(542,304,991.67)	(239,342,233.16)	-	-	(220,245,553.31)	(19,096,679.85)	(762,550,544.98)
Including: Appreciation of initial equity interest upon business combination	893,132,218.74	-	-	-	-	-	893,132,218.74
Other comprehensive income that will be reclassified to profit or loss under the equity method (Note V,13)	(17,372,564.63)	36,679,872.53	-	-	36,679,872.53	-	19,307,307.90
Translation differences of financial statements denominated in foreign currencies	(1,418,470,825.78)	(276,022,105.69)	-	-	(256,925,425.84)	(19,096,679.85)	(1,675,396,251.62)
Others	406,180.00	-	-	-	-	-	406,180.00
Total other comprehensive income	(542,304,991.67)	(239,342,233.16)	-	-	(220,245,553.31)	(19,096,679.85)	(762,550,544.98)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Surplus reserve

RMB

Item	1 January 2024	Additions in the current year	Reductions in the current year	31 December 2024
Statutory surplus reserve	2,764,799,902.82	288,734,726.30	–	3,053,534,629.12
Discretionary surplus reserve	453,391,330.06	–	–	453,391,330.06
Total	3,218,191,232.88	288,734,726.30	–	3,506,925,959.18

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. The Company has appropriated statutory surplus reserve of RMB288,734,726.30 in 2024 (2023: RMB114,539,572.89).

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. The Company has not appropriated any discretionary surplus reserve in the current year.

47. Undistributed profits

RMB

Item	2024	2023
Balance of undistributed profits at the end of the prior year before adjustment	9,112,002,127.97	8,079,278,802.54
Total opening balance of undistributed profits adjusted	–	2,179,848.75
Opening balance of undistributed profits after adjustment	9,112,002,127.97	8,081,458,651.29
Add: Net profit attributable to shareholders of the Company in the current year	1,145,048,951.69	2,327,197,196.81
Less: Appropriation for statutory surplus reserve	288,734,726.30	114,539,572.89
Ordinary share dividends payable (Note)	1,199,423,679.30	1,007,515,890.61
Dividends paid to other equity instruments	182,711,111.14	186,555,555.55
Others	–	(11,957,298.92)
Closing balance of undistributed profits	8,586,181,562.92	9,112,002,127.97

Note: According to the resolution of the General Meeting of Shareholders on 26 June 2024, the Company distributed 2023 cash dividends to all shareholders at RMB0.55 per share. Based on the 2,180,770,326 shares issued, a total of RMB1,199,423,679.30 cash dividends were distributed, of which a cash dividend of RMB788,298,679.30 was distributed for 1,433,270,326 A shares issued, and a cash dividend of HKD450,891,858.29 (equivalent to RMB411,125,000.00) was distributed for 747,500,000 H shares issued. As of 31 December 2024, the above dividends have been paid.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services

(1) Details of operating income and cost of services

RMB

Item	2024		2023	
	Income	Cost	Income	Cost
Main business – Toll road	5,053,338,436.13	2,613,870,354.46	5,374,901,239.20	2,666,988,877.55
Main business – Environmental protection	1,409,037,680.12	1,223,216,827.79	1,618,254,610.60	1,255,448,544.17
– Operation of kitchen waste disposal projects	693,831,504.98	642,905,652.48	628,891,338.51	582,372,036.03
– Wind power	549,084,939.88	305,224,047.53	652,330,053.45	275,802,882.36
– Sales of kitchen waste disposal equipment	7,597,766.38	17,514,281.72	23,070,239.09	17,411,459.14
– Sales of wind turbine equipment	–	–	530,973.45	13,728,614.50
– Construction of kitchen waste disposal projects	(17,866,851.46)	31,388,550.11	63,722,444.05	109,658,127.04
– Others	176,390,320.34	226,184,295.95	249,709,562.05	256,475,425.10
Other services	2,783,315,371.02	2,487,311,732.34	2,302,148,521.89	2,026,946,321.66
– Construction service under franchise arrangements	1,963,891,183.09	1,792,554,506.56	1,346,854,567.69	1,346,854,567.69
– Entrusted construction and management services	444,044,057.27	405,522,216.35	509,115,518.71	373,945,931.01
– Financial leasing	68,593,236.63	51,014,641.47	95,301,665.90	39,937,811.54
– Real estate development	29,261,504.63	21,413,011.25	89,710,321.17	63,826,446.06
– Advertising	3,445,935.30	4,789,087.12	8,873,723.83	6,971,233.55
– Others	274,079,454.10	212,018,269.59	252,292,724.59	195,410,331.81
Total	9,245,691,487.27	6,324,398,914.59	9,295,304,371.69	5,949,383,743.38



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(2) Breakdown of operating income

2024

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	4,705,253,255.15	354,624,695.71	355,318,553.08	68,593,236.63	1,933,078,452.58	267,760,035.63	7,684,628,228.78
Hunan Province	348,085,180.98	37,596,818.05	36,002,339.52	-	-	8,924,383.44	430,608,721.99
Guizhou Province	-	99,265,537.49	52,723,164.67	-	2,944,043.48	29,265,523.46	184,198,269.10
Hubei Province	-	12,150,215.20	-	-	-	-	12,150,215.20
Jiangsu Province	-	31,675,319.58	-	-	931,013.26	23,531.70	32,629,864.54
Inner Mongolia Autonomous Region	-	228,805,887.17	-	-	516,938.94	-	229,322,826.11
Guangxi Zhuang Autonomous Region	-	111,918,520.16	-	-	13,222,391.46	591,246.16	125,732,157.78
Shandong Province	-	41,055,990.16	-	-	998,619.10	62,330.97	42,116,940.23
Zhejiang Province	-	28,299,020.70	-	-	2,324,135.42	-	30,623,156.12
Sichuan Province	-	25,209,866.96	-	-	4,540,230.81	-	29,750,097.77
Jiangxi Province	-	64,932,786.54	-	-	423,343.62	158,200.19	65,514,330.35
Hebei Province	-	17,167,339.10	-	-	249,238.15	-	17,416,577.25
Xinjiang Uygur Autonomous Region	-	296,812,199.83	-	-	-	-	296,812,199.83
Henan Province	-	23,729,417.83	-	-	-	-	23,729,417.83
Ningxia Hui Autonomous Region	-	27,435,324.09	-	-	-	-	27,435,324.09
Anhui Province	-	8,358,741.55	-	-	4,662,776.27	1,642.48	13,023,160.30
Total	5,053,338,436.13	1,409,037,680.12	444,044,057.27	68,593,236.63	1,963,891,183.09	306,786,894.03	9,245,691,487.27

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of revenue recognition							
Revenue recognized at a point in time	5,053,338,436.13	1,426,904,531.58	-	/	-	162,066,541.00	6,642,309,508.71
Revenue recognized over time	-	(17,866,851.46)	444,044,057.27	/	1,963,891,183.09	141,274,417.73	2,531,342,806.63
Total	5,053,338,436.13	1,409,037,680.12	444,044,057.27	/	1,963,891,183.09	303,340,958.73	9,173,652,315.34

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(2) Breakdown of operating income (Continued)

2023

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	4,676,202,486.34	375,356,821.95	397,648,570.14	95,301,665.90	1,275,630,578.62	257,089,626.19	7,077,229,749.14
Hunan Province	698,594,112.90	26,190,846.73	–	–	–	3,886,796.06	728,671,755.69
Guizhou Province	–	103,438,721.55	111,466,948.57	–	2,783,565.54	89,900,347.34	307,589,583.00
Hubei Province	104,639.96	13,222,267.20	–	–	–	–	13,326,907.16
Jiangsu Province	–	38,006,553.42	–	–	2,142,599.04	–	40,149,152.46
Inner Mongolia Autonomous Region	–	288,683,044.19	–	–	21,737,032.52	–	310,420,076.71
Guangxi Zhuang Autonomous Region	–	137,073,394.19	–	–	22,071,607.25	–	159,145,001.44
Shandong Province	–	53,338,354.46	–	–	–	–	53,338,354.46
Zhejiang Province	–	28,965,170.46	–	–	–	–	28,965,170.46
Sichuan Province	–	48,835,006.80	–	–	3,455,492.70	–	52,290,499.50
Jiangxi Province	–	68,765,128.98	–	–	9,760,938.30	–	78,526,067.28
Hebei Province	–	18,375,078.46	–	–	1,482,612.24	–	19,857,690.70
Xinjiang Uygur Autonomous Region	–	301,711,869.13	–	–	–	–	301,711,869.13
Henan Province	–	40,933,295.36	–	–	–	–	40,933,295.36
Ningxia Hui Autonomous Region	–	64,525,181.35	–	–	–	–	64,525,181.35
Anhui Province	–	10,833,876.37	–	–	7,790,141.48	–	18,624,017.85
Total	5,374,901,239.20	1,618,254,610.60	509,115,518.71	95,301,665.90	1,346,854,567.69	350,876,769.59	9,295,304,371.69

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of revenue recognition							
Revenue recognized at a point in time	5,374,901,239.20	1,554,532,166.55	–	/	–	213,908,632.42	7,143,342,038.17
Revenue recognized over time	–	63,722,444.05	509,115,518.71	/	1,346,854,567.69	128,094,413.34	2,047,786,943.79
Total	5,374,901,239.20	1,618,254,610.60	509,115,518.71	/	1,346,854,567.69	342,003,045.76	9,191,128,981.96

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(3) Breakdown of cost of services

2024

RMB

Reporting segment	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Main operating areas							
Guangdong Province	2,456,168,461.67	400,105,206.64	326,001,995.72	51,014,641.47	1,761,741,776.05	216,424,792.53	5,211,456,874.08
Hunan Province	157,701,892.79	23,720,196.93	35,384,360.84	-	-	-	216,806,450.56
Guizhou Province	-	79,203,606.87	44,135,859.79	-	2,944,043.48	21,413,011.25	147,696,521.39
Hubei Province	-	14,252,569.24	-	-	-	-	14,252,569.24
Jiangsu Province	-	55,495,351.03	-	-	931,013.26	-	56,426,364.29
Inner Mongolia Autonomous Region	-	140,485,008.32	-	-	516,938.94	-	141,001,947.26
Guangxi Zhuang Autonomous Region	-	119,989,633.61	-	-	13,222,391.46	247,251.88	133,459,276.95
Shandong Province	-	51,386,693.17	-	-	998,619.10	-	52,385,312.27
Zhejiang Province	-	34,617,468.66	-	-	2,324,135.42	-	36,941,604.08
Sichuan Province	-	30,298,135.58	-	-	4,540,230.81	-	34,838,366.39
Jiangxi Province	-	71,517,446.06	-	-	423,343.62	135,312.30	72,076,101.98
Hebei Province	-	21,865,339.16	-	-	249,238.15	-	22,114,577.31
Xinjiang Uygur Autonomous Region	-	131,022,909.11	-	-	-	-	131,022,909.11
Henan Province	-	13,687,228.06	-	-	-	-	13,687,228.06
Ningxia Hui Autonomous Region	-	22,643,648.97	-	-	-	-	22,643,648.97
Anhui Province	-	12,926,386.38	-	-	4,662,776.27	-	17,589,162.65
Total	2,613,870,354.46	1,223,216,827.79	405,522,216.35	51,014,641.47	1,792,554,506.56	238,220,367.96	6,324,398,914.59

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of cost recognition							
Cost recognized at a point in time	2,613,870,354.46	1,191,828,277.68	-	/	-	173,361,274.14	3,979,059,906.28
Cost recognized over time	-	31,388,550.11	405,522,216.35	/	1,792,554,506.56	60,070,006.70	2,289,535,279.72
Total	2,613,870,354.46	1,223,216,827.79	405,522,216.35	/	1,792,554,506.56	233,431,280.84	6,268,595,186.00

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

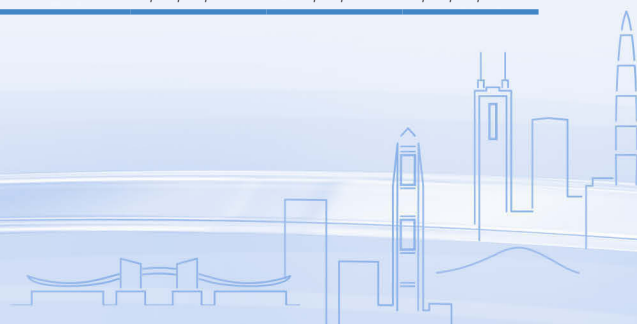
(3) Breakdown of cost of services (Continued)

2023

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	2,364,599,997.71	436,346,962.43	300,907,133.23	39,937,811.54	1,275,630,578.62	202,381,565.36	4,619,804,048.89
Hunan Province	300,436,609.59	15,133,454.30	—	—	—	—	315,570,063.89
Guizhou Province	—	76,981,714.64	73,038,797.78	—	2,783,565.54	63,826,446.06	216,630,524.02
Hubei Province	1,952,270.25	14,199,963.55	—	—	—	—	16,152,233.80
Jiangsu Province	—	54,115,137.62	—	—	2,142,599.04	—	56,257,736.66
Inner Mongolia Autonomous Region	—	92,106,030.74	—	—	21,737,032.52	—	113,843,063.26
Guangxi Zhuang Autonomous Region	—	132,230,185.74	—	—	22,071,607.25	—	154,301,792.99
Shandong Province	—	41,740,161.13	—	—	—	—	41,740,161.13
Zhejiang Province	—	33,194,239.03	—	—	—	—	33,194,239.03
Sichuan Province	—	30,728,238.22	—	—	3,455,492.70	—	34,183,730.92
Jiangxi Province	—	76,468,059.65	—	—	9,760,938.30	—	86,228,997.95
Hebei Province	—	22,376,445.02	—	—	1,482,612.24	—	23,859,057.26
Xinjiang Uygur Autonomous Region	—	129,362,562.75	—	—	—	—	129,362,562.75
Henan Province	—	14,947,619.85	—	—	—	—	14,947,619.85
Ningxia Hui Autonomous Region	—	64,525,181.35	—	—	—	—	64,525,181.35
Anhui Province	—	20,992,588.15	—	—	7,790,141.48	—	28,782,729.63
Total	2,666,988,877.55	1,255,448,544.17	373,945,931.01	39,937,811.54	1,346,854,567.69	266,208,011.42	5,949,383,743.38

Main service categories	Toll road	Environmental protection	Entrusted construction and management services	Financial leasing service	Construction service under franchise arrangements	Others	Total
Timing of cost recognition							
Cost recognized at a point in time	2,666,988,877.55	1,145,790,417.13	—	/	—	133,400,181.01	3,946,179,475.69
Cost recognized over time	—	109,658,127.04	373,945,931.01	/	1,346,854,567.69	125,836,596.86	1,956,295,222.60
Total	2,666,988,877.55	1,255,448,544.17	373,945,931.01	/	1,346,854,567.69	259,236,777.87	5,902,474,698.29



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Operating income and cost of services (Continued)

(4) Descriptions on performance obligations

The main businesses of the Group are toll highways, environmental protection, etc. Please refer to Note III, 30.

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 year, the amount of contract liabilities corresponding to the performance obligations for which the Group has entered into a contract but which has not been fulfilled or completely fulfilled was RMB61,712,837.98, and the revenue will be recognized when the customer obtains control of the product.

49. Taxes and surcharges

RMB

Item	2024	2023
Property tax	24,678,591.03	9,603,848.35
City maintenance and construction tax	15,387,455.53	13,946,380.25
Educational surcharge	11,315,104.98	9,885,060.98
Land use tax	3,840,183.99	2,818,873.90
Stamp tax	2,407,138.95	2,093,980.95
Land appreciation tax	—	2,079,414.80
Others	626,603.01	942,125.54
Total	58,255,077.49	41,369,684.77

50. Selling expenses

RMB

Item	2024	2023
Salaries and wages	7,203,586.47	12,684,656.93
Advertising expenses and business promotion expenses	1,592,644.44	2,581,805.44
Travel fees	809,938.54	1,276,860.13
Depreciation and amortization	339,094.18	702,027.22
Low-value consumables	30,745.49	—
Business entertainment	9,661.00	67,316.80
Others	2,709,949.20	2,473,170.76
Total	12,695,619.32	19,785,837.28

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. General and administrative expenses

RMB

Item	2024	2023
Salaries and wages	254,952,672.57	268,155,912.05
Depreciation and amortization	115,529,850.69	116,258,131.26
Legal and advisory fees	18,678,087.66	27,515,428.12
Office building management fees	13,115,852.46	13,334,158.61
Audit fees	12,456,775.80	12,447,748.51
Office and communication charges	11,658,500.22	11,113,758.40
Stock exchange fees	4,692,792.22	6,581,075.96
Travel fees	3,626,658.39	4,746,182.97
Business entertainment fees	2,885,960.62	3,985,630.68
Vehicle fees	2,324,955.39	2,102,795.91
Rents	—	87,594.58
Others	20,141,794.94	16,854,567.71
Total	460,063,900.96	483,182,984.76

52. Research and development expenses

RMB

Item	2024	2023
Labor cost	16,680,973.25	15,907,314.46
Direct consumables	9,071,567.26	4,657,321.83
Depreciation and amortization	2,652,362.32	7,448,778.18
Technical service fee	714,396.18	610,530.00
Others	3,811,299.53	4,852,858.05
Total	32,930,598.54	33,476,802.52

The research and development expenses include costs of materials and labor, depreciation and amortization of R&D machines used in the development of patents. The research and development expenses in this year mainly include the expenses on research and development of green recycling technology for waste batteries of Qiantai Company, and those on research and development of various environmental protection devices & systems and process technologies of Lisai Environmental Protection.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Financial expenses

RMB

Item	2024	2023
Interest expenses	1,069,759,700.56	1,241,927,125.27
Including: Interest expenses on borrowings	745,592,322.87	884,652,950.22
Interest expenses on bonds payable	282,824,132.66	300,200,268.75
Unrecognized financing expenses of compensation for newly-built toll stations on Longda Expressway and Three Expressways	22,229,625.48	26,742,016.32
Interest expenses on provisions	11,306,137.43	6,175,647.35
Interest expenses on long-term payables	4,042,899.98	16,674,836.49
Interest expenses on lease liabilities	3,436,415.47	7,225,082.58
Interest expenses on notes discounted	328,166.67	256,323.56
Less: Interest income	75,209,516.16	70,974,421.18
Less: Interest capitalized	9,547,541.77	12,345,782.87
Including: Interest expenses capitalized	9,943,147.55	12,659,236.04
Interest income capitalized	395,605.78	313,453.17
Exchange losses	46,177,327.52	72,777,474.20
Others	7,059,462.60	8,822,125.32
Total	1,038,239,432.75	1,240,206,520.74

In 2024, the capitalization amount of the Group's borrowing costs included in inventories and intangible assets is set out in Note V, 7 (3) and Note V, 19 (1).

Details of interest income are listed as follows:

RMB

Item	2024	2023
Interest income recognized for free compensation	42,833,128.19	25,033,749.50
Interest on deposits	32,376,387.97	42,122,277.11
Interest income on advances from shareholder	–	3,818,394.57
Less: Interest income capitalized	395,605.78	313,453.17
Total	74,813,910.38	70,660,968.01

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Other income

RMB

Classification by nature	2024	2023
VAT immediate refund upon payment	9,075,397.45	8,233,624.93
Central government subsidy for cancellation of provincial expressway toll station project	6,232,553.55	7,129,398.11
Tax refund and additional deduction of VAT	1,502,697.84	2,930,822.00
Government economic grants for Bioland Company	1,005,081.07	3,480,486.90
Government financial grants for Guizhou Land	11,060.95	32,486.18
Award for return of Duohua Project	–	13,603,415.00
Others	5,631,253.38	10,419,782.85
Total	23,458,044.24	45,830,015.97

55. Investment income

RMB

Item	2024	2023
Income from long-term equity investments under the equity method (Note V, 13)	851,136,509.69	1,477,767,743.34
Investment income from disposal of long-term equity investments (Note)	149,336,186.05	1,281,118.47
Investment income from other non-current financial assets during the holding period	19,344,469.45	10,964,210.54
Investment income from financial products	5,308,906.85	14,631,595.42
Others	–	208,789.71
Total	1,025,126,072.04	1,504,853,457.48

Note: It mainly represents the investment income arising from the Company's disposal of 100% equity interest in Yichang Company, as detailed in Note VI, 2.

56. Gains from changes in fair value

RMB

Item	2024	2023
Financial assets (liabilities) at FVTPL	2,641,777.05	153,607,037.26
Including: Other non-current financial assets (Note V, 14)	75,842,081.18	130,604,671.82
Obligation to pay the difference	(58,706,835.52)	(13,096,456.41)
Compensation for valuation adjustment mechanism	(14,493,468.61)	36,098,821.85
Total	2,641,777.05	153,607,037.26



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Credit impairment gains (losses)

RMB

Item	2024	2023
Impairment losses of accounts receivable (Note V, 4(3))	(93,961,429.90)	(62,271,608.80)
Impairment losses of other receivables (Note V, 6.3(4))	(86,671,159.08)	(21,624,108.07)
Impairment losses of long-term receivables (Note V, 12(3))	(19,139,700.10)	(16,311,954.02)
Total	(199,772,289.08)	(100,207,670.89)

58. Impairment gains (losses) of assets

RMB

Item	2024	2023
Losses on decline in value of inventories (Note V, 7(2))	(164,472,457.22)	(132,225,841.52)
Impairment losses of intangible assets (Note V, 19(1))	(165,462,267.39)	—
Impairment losses of construction in progress (Note V, 17(3))	(11,966,069.00)	—
Impairment losses of fixed assets (Note V, 16(1))	(42,373,470.19)	—
Total	(384,274,263.80)	(132,225,841.52)

59. Non-operating income

RMB

Item	2024	2023	Amount recognized in non-recurring profit or loss for the period
Government grants not related to daily activities	172,620.11	295,495.94	172,620.11
Others	11,018,593.51	7,289,688.05	11,018,593.51
Total	11,191,213.62	7,585,183.99	11,191,213.62

(1) Government grants not related to daily activities are as follows:

RMB

Item	2024	2023	Related to assets/income
Government incentives	172,620.11	295,495.94	Related to income

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Non-operating expenses

RMB

Item	2024	2023	Amount recognized in non-recurring profit or loss for the period
Provision for liquidated damages and compensation by subsidiaries	32,660,790.18	94,122,644.67	32,660,790.18
Losses on damage or retirement of non-current assets	409,292.82	944,497.51	409,292.82
Donation	—	3,801,000.00	—
Others	14,811,715.18	6,493,566.82	14,811,715.18
Total	47,881,798.18	105,361,709.00	47,881,798.18

61. Income tax expenses

(1) Classification of income tax expenses

RMB

Item	2024	2023
Current tax expenses	503,616,461.88	507,153,681.07
Deferred tax expenses	36,597,014.38	22,648,906.85
Total	540,213,476.26	529,802,587.92

(2) Reconciliation of income tax expenses to the accounting profit is as follows

RMB

Item	2024	2023
Total profit	1,758,426,412.29	2,915,633,626.92
Income tax expenses calculated at the statutory/applicable tax rate	439,606,603.07	728,908,406.73
Effect of different tax rates applicable to certain subsidiaries	(80,785,564.64)	(47,343,744.39)
Effect of income not subject to tax	(196,922,224.82)	(347,072,059.48)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the year	364,897,516.90	164,456,533.58
Effect of adjusting income tax of the previous year	22,955,284.85	31,925,933.47
Effect of costs, expenses and losses not deductible	1,027,395.02	825,280.74
Effect of using previously unrecognized deductible losses and deductible temporary differences	(10,565,534.12)	(1,897,762.73)
Income tax expenses	540,213,476.26	529,802,587.92



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows

(1) Cash relating to operating activities

Other cash received relating to operating activities

RMB

Item	2024	2023
Security deposits received and recovered	71,182,607.84	165,513,843.20
Interest income	17,381,912.85	24,974,001.00
Government grants received	8,719,583.50	22,779,608.17
Funds temporarily received	23,734,543.93	66,343,786.88
Project compensation received	—	3,988,269.83
Project advances received	—	3,116,652.92
Others	72,506,083.66	109,180,915.51
Total	193,524,731.78	395,897,077.51

Other cash payments relating to operating activities

RMB

Item	2024	2023
Security deposits paid and refunded	122,680,531.75	123,296,987.47
Expenditures	65,360,467.24	78,704,059.69
Project funds paid	57,354,061.54	206,925,630.33
Intermediary service fee	30,311,536.87	46,072,535.80
Withholding payments paid	8,741,461.04	39,945,833.63
Others	192,482,182.71	123,315,876.91
Total	476,930,241.15	618,260,923.83

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows (Continued)

(2) Cash relating to investing activities

Cash received relating to significant investing activities

RMB

Item	2024	2023
Structured deposits recovered during the year	1,673,209,794.52	2,370,000,000.00
Equity transfer fund of Yichang Company	1,397,449,490.52	–
Total	3,070,659,285.04	2,370,000,000.00

Cash payments relating to significant investing activities

RMB

Item	2024	2023
Increase in structured deposits and certificates of time deposits for the year	1,510,000,000.00	1,990,000,000.00
Increase in long-term equity investments	819,000,000.00	–
Capital expenditures on Coastal Expressway Phase II project	503,170,853.92	610,417,562.16
Capital expenditures on Outer Ring Phase I, Phase II and Phase III projects	706,042,016.10	412,107,272.94
Payments made by Financial Leasing Company during the year for purchase of equipment under finance lease	185,755,450.00	527,944,486.09
Total	3,723,968,320.02	3,540,469,321.19

Other cash received relating to investing activities

RMB

Item	2024	2023
Recovery of advances from shareholder	450,000,000.00	209,960,000.00
Interest income	6,564,515.41	20,966,670.68
Net cash payments for acquisitions of subsidiaries and other business units	5,438,304.51	–
Others	1,449.98	19,183.10
Total	462,004,269.90	230,945,853.78



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows (Continued)

(2) Cash relating to investing activities (Continued)

Other cash payments relating to investing activities

RMB

Item	2024	2023
Payment for difference make-up obligation	13,113,423.39	—
Payment for expenses related to the construction of Shaoyang project	—	1,627,307.24
Others	—	328,549.96
Total	13,113,423.39	1,955,857.20

(3) Cash relating to financing activities

Other cash received relating to financing activities

RMB

Item	2024	2023
Funds on discounted bills received	19,671,833.33	—
Loan guarantee deposit	13,602.74	—
Total	19,685,436.07	—

Other cash payments relating to financing activities

RMB

Item	2024	2023
Payment for principal and interest on financing amount for sale and leaseback of equipment	—	177,345,554.37
Repayment for capital contribution from minority shareholders	30,409,109.58	19,005,693.50
Repayment of principal and interest on lease liabilities	19,985,501.03	46,243,852.92
Payment of interest on USD bonds and withholding taxes on annual trust fees	6,630,075.95	6,611,099.56
Brokerage fees for issuing bonds	3,864,463.33	3,848,383.69
Repayment of borrowings from United Land Company	437,010,000.00	120,050,000.00
Others	4,512,414.04	3,897,074.75
Total	502,411,563.93	377,001,658.79

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Items in the statement of cash flows (Continued)

(3) Cash relating to financing activities (Continued)

Changes in liabilities arising from financing activities

RMB

Item	Opening balance	Additions in cash changes for the year	Reductions in cash changes for the year	Non-cash changes, net	Closing balance
Short-term borrowings	11,105,625,836.85	8,705,619,823.83	17,633,258,127.52	395,861,651.33	2,573,849,184.49
Other current liabilities – Ultra-short-term financing bonds	1,512,594,613.40	4,500,000,000.00	3,040,710,326.36	44,387,711.39	3,016,271,998.43
Long-term borrowings (including long-term borrowings due within one year)	10,565,447,231.09	7,124,997,476.05	1,800,589,574.54	415,988,585.95	16,305,843,718.55
Bonds payable (including bonds payable due within one year)	8,495,091,322.11	3,000,000,000.00	1,446,838,558.46	280,844,867.44	10,329,097,631.09
Lease liabilities (including lease liabilities due within one year)	79,847,804.74	–	22,295,501.03	(25,848,501.06)	31,703,802.65
Long-term payables (including long-term payables due within one year)	931,339,818.83	–	467,419,109.58	(76,333,993.40)	387,586,715.85
Dividends payable	5,622,222.18	–	1,585,124,985.27	1,664,516,089.19	85,013,326.10



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB

Supplementary information	2024	2023
1. Reconciliation from net profit to cash flows from operating activities:		
Net profit	1,218,212,936.03	2,385,831,039.00
Add: Credit impairment losses	199,772,289.08	100,207,670.89
Impairment losses of assets	384,274,263.80	132,225,841.52
Depreciation of fixed assets	504,360,350.08	487,032,577.55
Depreciation of right-of-use assets	27,686,009.07	42,612,865.76
Depreciation of investment properties	1,327,991.21	1,420,347.70
Amortization of intangible assets	1,763,428,989.72	1,813,092,547.52
Amortization of long-term prepaid expenses	13,591,227.08	18,494,871.82
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	(8,829,712.78)	(13,654,355.39)
Losses on damage and retirement of non-current assets	409,292.82	944,497.51
Losses (gains) on changes in fair value	(2,641,777.05)	(153,607,037.26)
Financial expenses	1,055,621,345.60	1,265,180,521.74
Investment losses (income)	(1,025,126,072.04)	(1,504,853,457.48)
Decrease (increase) in deferred tax assets	140,683,647.41	155,192,293.37
Increase (decrease) in deferred tax liabilities	(104,086,633.03)	(132,543,386.52)
Decrease (increase) in inventories	97,562,645.49	(173,526,898.20)
Decrease (increase) in operating receivables	(700,573,834.19)	(44,421,711.94)
Increase (decrease) in operating payables	151,633,512.84	(284,815,999.72)
Net cash flows from operating activities	3,717,306,471.14	4,094,812,227.87
2. Net changes in cash and cash equivalents:		
Cash and cash equivalents at the end of the year	2,670,493,652.96	1,955,220,227.32
Less: Cash and cash equivalents at the beginning of the year	1,955,220,227.32	3,197,002,667.41
Net increase (decrease) in cash and cash equivalents	715,273,425.64	(1,241,782,440.09)

(2) Composition of cash and cash equivalents

RMB

Item	31 December 2024	31 December 2023
I. Cash	2,670,493,652.96	1,955,220,227.32
Including: Cash on hand	6,291,155.12	6,881,214.18
Cash at banks that can be withdrawn on demand	2,664,202,497.84	1,948,339,013.14
II. Cash and cash equivalents at the end of the year	2,670,493,652.96	1,955,220,227.32
Add: Restricted cash and cash equivalents held by the Company and subsidiaries of the Group (Note V, 1)	238,088,357.47	197,147,405.73
III. Cash at banks and on hand	2,908,582,010.43	2,152,367,633.05

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Monetary items denominated in foreign currencies

(1) Monetary items denominated in foreign currencies

Item	31 December 2024	Exchange rate	Equivalent to RMB
Cash at banks and on hand			205,828,752.88
HKD	221,228,606.54	0.93	204,866,538.81
USD	133,825.57	7.19	961,991.75
EUR	12.00	7.53	90.31
FRF	11.70	8.00	93.57
ESP	446.00	0.05	20.88
JPY	379.82	0.05	17.56
Other receivables			347,341.45
HKD	375,082.56	0.93	347,341.45
Short-term borrowings			1,489,763,556.48
HKD	1,580,862,597.46	0.93	1,489,763,556.48
Transactional financial liabilities			197,664,719.66
HKD	213,451,600.00	0.93	197,664,719.66
Employee benefits payable			1,259,300.23
HKD	1,359,876.71	0.93	1,259,300.23
Other payables			61,123.27
HKD	66,005.00	0.93	61,123.27
Non-current liabilities due within one year			624,083,333.67
HKD	654,342,792.87	0.93	605,947,599.91
USD	2,522,916.61	7.19	18,135,733.76
Bonds payable			2,156,520,000.00
USD	300,000,000.00	7.19	2,156,520,000.00
Long-term borrowings			592,665,600.00
HKD	640,000,000.00	0.93	592,665,600.00
Lease liabilities			10,186,138.57
HKD	10,999,674.49	0.93	10,186,138.57



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. 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.

65. Leases

(1) As a lessee

The Group has lease contracts for various items of buildings, vehicles, machinery and other equipment used in the operating process. The lease term for buildings, machinery and equipment is generally 1 to 9 years, while that for vehicles and other equipment is generally 1 to 3 years. The above right-of-use assets cannot be used as mortgages and guarantees for borrowings.

Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach:

Short-term lease expenses and expenses on leases of low-value assets that are accounted for using simplified approach and included in profit or loss for the period amounted to RMB42,272,692.74 (2023: RMB34,260,738.17) and RMB nil (2023: RMB nil), respectively.

Total cash outflows relating to leases for the year amounted to RMB62,258,193.77 (2023: RMB257,850,145.46).

(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	29,094,265.24	—

The Group leases out some parking spaces, workshops, staff dormitory buildings and others for indefinite lease term and lease term of 1 to 5 years, forming operating leases.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Leases (Continued)

(2) As a lessor (Continued)

Operating leases (Continued)

Income related to operating leases for the year amounted to RMB29,094,265.24 (2023: RMB18,882,543.76), of which income related to variable lease payments that are not included in lease receipts was RMB nil (2023: RMB nil).

RMB

	31 December 2024	31 December 2023
1 st year subsequent to the balance sheet date	14,094,025.59	15,680,756.97
2 nd year subsequent to the balance sheet date	9,608,820.97	8,908,499.86
3 rd year subsequent to the balance sheet date	8,785,873.74	4,040,344.65
4 th year subsequent to the balance sheet date	7,236,723.18	3,675,379.53
5 th year subsequent to the balance sheet date	3,340,284.00	3,675,379.53
Subsequent years	12,581,059.12	15,877,354.29
Total undiscounted lease receipts	55,646,786.60	51,857,714.83

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	–	68,593,236.63	–

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	
	31 December 2024	31 December 2023
Total undiscounted lease receipts	1,621,885,091.11	1,698,296,991.17
Unguaranteed residual value	–	–
Total lease investment	1,621,885,091.11	1,698,296,991.17
Less: Unrealized financing income	362,338,166.42	384,860,063.07
Net lease investment	1,259,546,924.69	1,313,436,928.10
Including: Finance lease receivables due within one year	172,950,515.75	260,026,234.70
Finance lease receivables due after one year	1,086,596,408.94	1,053,410,693.40

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Leases (Continued)

(2) As a lessor (Continued)

Undiscounted lease receipts for the next five years

RMB

Item	Undiscounted lease receipts per year	
	31 December 2024	31 December 2023
The first year	231,655,335.50	272,364,778.91
The second year	241,195,347.92	249,530,049.40
The third year	205,023,342.61	155,815,412.58
The fourth year	176,242,669.37	209,612,201.52
The fifth year	157,638,095.67	197,293,343.45
Total undiscounted lease receipts after five years	610,130,300.04	613,681,205.31

Gains relating to finance lease are as follows:

RMB

	2024	2023
Gains/losses on sales	—	—
Financing income from net lease investment	68,593,236.63	55,363,854.36
Total	68,593,236.63	55,363,854.36

VI. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not involving entities under common control

(1) Business combination not involving entities under common control for the current year

RMB

Name of acquiree	Equity acquisition date	Cost of acquisition	Shareholding percentage (%)	Acquisition method	Acquisition date	Basis for determination of acquisition date	Income of the acquiree from the date of acquisition to the end of the year	Net profit of the acquiree from the date of acquisition to the end of the year	Cash flows of the acquiree from the date of acquisition to the end of the year
Guangming Fengrunjiu	24 December 2024	6,308,329.67	60.00	Others (Note)	24 December 2024	The control of the acquiree has been transferred	—	—	—

Note: Shenzhen Expressway Investment Co., Ltd. ("Expressway Investment"), a subsidiary of the Company, holds 60.00% of the equity in Guangming Fengrunjiu. Pursuant to the Articles of Association of Guangming Fengrunjiu adopted on 24 December 2024, the Board of Directors of Guangming Fengrunjiu is composed of 5 directors, and the Group is entitled to nominate 3 directors and the voting on business matters made by the Board of Directors is effective only after it is approved by more than half of all directors. The Group substantially controls Guangming Fengrunjiu and includes it in the scope of consolidated financial statements from 24 December 2024.

VI. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combination not involving entities under common control (Continued)

(2) Cost of combination and goodwill

RMB

Item	Guangming Fengrunjiu
Cash paid	—
Fair value of non-cash assets	6,308,329.67
Total cost of combination	6,308,329.67
Less: Share of fair value of identifiable net assets acquired	6,308,329.67
Goodwill	—

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

RMB

Item	Guangming Fengrunjiu	
	Fair value on acquisition date	Carrying amount on acquisition date
Assets:	12,869,446.71	12,869,446.71
Cash at banks and on hand	5,438,304.51	5,438,304.51
Prepayments	3,413.00	3,413.00
Other receivables	17,792.00	17,792.00
Fixed assets	46,665.49	46,665.49
Intangible assets	7,292,509.36	7,292,509.36
Other current assets	70,762.35	70,762.35
Liabilities:	2,355,563.93	2,355,563.93
Accounts payable	193,618.03	193,618.03
Contract liabilities	392,167.32	392,167.32
Employee benefits payable	1,149,304.84	1,149,304.84
Other payables	620,473.74	620,473.74
Net assets	10,513,882.78	10,513,882.78
Less: Minority interests	4,205,553.11	4,205,553.11
Net assets acquired	6,308,329.67	6,308,329.67



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

VI. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries

Loss of control over subsidiaries

RMB

Name of subsidiary	Date when control is lost	Disposal price when control is lost	Disposal ratio when control is lost (%)	Disposal method when control is lost	Determining basis when control is lost	Difference between the disposal price and the share of the subsidiary's net assets enjoyed at the consolidated financial statement level corresponding to the disposal of investment	Proportion of remaining equity on the date when control is lost (%)	Carrying amount of remaining equity at the consolidated financial statement level on the date when control is lost	Fair value of remaining equity at the consolidated financial statement level on the date when control is lost	Gains or losses arising from the re-measurement of remaining equity at fair value	Method and key assumptions for determining the fair value of remaining equity at the consolidated financial statement level on the date when control is lost	Amount of other comprehensive income related to equity investments in original subsidiaries that is transferred to investment gains or losses or retained earnings
				Transfer through agreement	Changes in control							
Yichang Company	21 March 2024	1,397,449,490.52	100.00			149,336,185.05	-	-	-	-	N/A	-

Note: On 22 February 2023, as approved by the Board of Directors, the Company, which is also the original obligor, launched a pilot declaration of Real Estate Investment Trust ("REITs") in the field of infrastructure through E Fund Management Co., Ltd. ("E Fund"), the fund manager, with Yichang Expressway owned by Yichang Company, a wholly-owned subsidiary of the Company, as the infrastructure project. On 29 December 2023, E Fund received the *Reply on Approving the Registration of the Close-end Infrastructure Securities Investment Funds for Expressways of E Fund – Shenzhen Expressway* (Zheng Jian Xu Ke No. 2927 [2023]) issued by China Securities Regulatory Commission, which approved the registration of the Publicly-offered Infrastructure REITs. The offering of E Fund – Shenzhen Expressway REIT was completed on 7 March 2024, with 300000000 fund shares ultimately raised at an offering price of RMB6.825 per share, and the fund raised totaled RMB2,047.5 million. The fund contract for E Fund – Shenzhen Expressway REIT was effective on 12 March 2024. The Company, as the original obligor, participated in the strategic allocation with a subscription of 120000000 shares, accounting for 40% of the total offering. E Fund – Shenzhen Expressway REIT was listed on the Shanghai Stock Exchange on 29 March 2024, with the trading code of "508033" and the fund's simplified name as "Shen Gao REIT".

The Company entered into an equity transfer agreement with Changde Yichang and Yichang Company, disposing of 100% equity of Yichang Company at RMB1,397,449,490.52. The settlement procedure was completed on 21 March 2024, and the Company lost control over Yichang Company. Therefore, the Group no longer includes Yichang Company in the consolidated financial statements from 21 March 2024.

3. Changes in scope of consolidation for other reasons

Cancellation of subsidiary for the year

Shenzhen Shengao Lande Engineering Co., Ltd., a subsidiary of the Group, has been cancelled, the taxation and business cancellation procedures of which were completed on 10 December 2024.

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 (%)		
					Direct	Indirect	Acquired through
Outer Ring Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	6,500,000,000.00	100.00	–	Incorporation
Expressway Investment	Guizhou Province, PRC	Shenzhen, Guangdong Province, PRC	Investment	1,000,000,000.00	100.00	–	Incorporation
Guishen Company	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Infrastructure construction	500,000,000.00	–	70.00	Incorporation
Guizhou Land Company	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Land development	158,000,000.00	–	100.00	Incorporation
Property Management Company	Longli County, Guizhou Province, PRC	Shenzhen, Guangdong Province, PRC	Property management	1,000,000.00	–	100.00	Incorporation
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	HKD7,953,813.00	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
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



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For the year ended 31 December 2024

(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

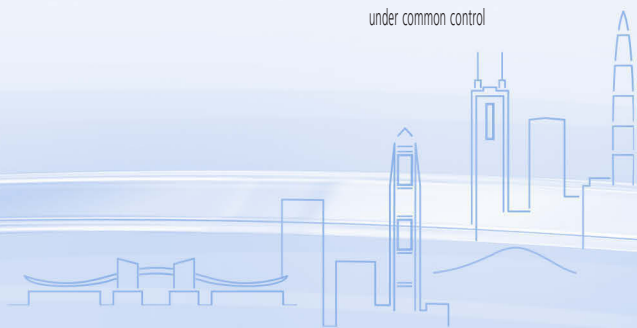
Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		
					Direct	Indirect	Acquired through
Shenzhen Expressway Construction Development Company Limited ("Construction Development Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Infrastructure construction	30,000,000.00	100.00	–	Incorporation
Infrastructure Environment Protection Development Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Infrastructure and environment protection business	500,000,000.00	80.00	20.00	Incorporation
Shenzhen Express Private Equity Industry Investment Fund Management Co., Ltd. ("Fund Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Capital market services	19,607,800.00	51.00	–	Incorporation
Coastal Expressway	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	5,714,285,714.00	49.00	51.00	Business combination under common control
Guishen Expressway Investment	Longli County, Guizhou Province, PRC	Longli County, Guizhou Province, PRC	Land development	1,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Yijia Apartment Management 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	Land development	1,000,000.00	–	100.00	Incorporation
Nanjing Wind Power (Note 2)	Nanjing, Jiangsu Province, PRC	Nanjing, Jiangsu Province, PRC	Manufacturing	357,142,900.00	–	100.00	Business combinations not under common control
Baotou Jinling Wind Power Technology Co., Ltd.	Baotou, Inner Mongolia Autonomous Region, PRC	Baotou, Inner Mongolia Autonomous Region, PRC	Manufacturing	20,000,000.00	–	100.00	Business combinations not under common control
Shangzhi Nanfeng New Energy Technology Co., Ltd.	Shangzhi, Heilongjiang Province, PRC	Shangzhi, Heilongjiang Province, PRC	Manufacturing	5,000,000.00	–	100.00	Incorporation
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

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
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	–	92.29	Business combinations not under common control
Guangxi Bioland	Nanning, Guangxi Zhuang Autonomous Region, PRC	Nanning, Guangxi Zhuang Autonomous Region, PRC	Kitchen waste disposal	123,000,000.00	–	100.00	Business combinations not under common control
Dezhou Bioland Renewable Resources Co., Ltd.	Dezhou, Shandong Province, PRC	Dezhou, Shandong Province, PRC	Kitchen waste disposal	50,000,000.00	–	100.00	Business combinations not under common control
Guiyang Beier Bioland	Guiyang, Guizhou Province, PRC	Guiyang, Guizhou Province, PRC	Kitchen waste disposal	110,923,700.00	–	100.00	Business combinations not under common control
Taizhou Bioland	Taizhou, Jiangsu Province, PRC	Taizhou, Jiangsu Province, PRC	Kitchen waste disposal	68,000,000.00	–	100.00	Business combinations not under common control
Dezhou Zhonghe	Dezhou, Shandong Province, PRC	Dezhou, Shandong Province, PRC	Equipment manufacturing	30,000,000.00	–	100.00	Business combinations not under common control
Kunshan Environmental Protection	Kunshan, Jiangsu Province, PRC	Kunshan, Jiangsu Province, PRC	Kitchen waste disposal	25,000,000.00	–	95.00	Business combinations not under common control
Longyou Bioland	Quzhou, Zhejiang Province, PRC	Quzhou, Zhejiang Province, PRC	Kitchen waste disposal	10,500,000.00	–	100.00	Business combinations not under common control
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



NOTES TO FINANCIAL STATEMENTS

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(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		
					Direct	Indirect	Acquired through
Zhuji Bioland	Zhuji, Zhejiang Province, PRC	Zhuji, Zhejiang Province, PRC	Kitchen waste disposal	100,000,000.00	–	90.00	Business combinations not under common control
Fuzhou Bioland	Fuzhou, Jiangxi Province, PRC	Fuzhou, Jiangxi Province, PRC	Kitchen waste disposal	24,000,000.00	–	100.00	Business combinations not under common control
Shenlu Environmental Protection	Nanjing, Jiangsu Province, PRC	Nanjing, Jiangsu Province, PRC	Environment and facility services	100,000,000.00	–	100.00	Business combinations not under common control
Sichuan Lansheng	Zigong, Sichuan Province, PRC	Zigong, Sichuan Province, PRC	Kitchen waste disposal	45,039,000.00	–	84.57	Business combinations not under common control
Logistics Finance Company	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 1.00	–	100.00	Business combinations under common control
Financial Leasing Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Financial leasing and commercial factoring	902,500,000.00	72.30	27.70	Business combinations under common control
Shenzhen High Speed Engineering Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road construction	40,500,000.00	–	60.00	Business combinations not under common control
New Energy Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Wind power	2,619,441,000.00	100.00	–	Incorporation
Inner Mongolia Chenghuan Bioland	Hohhot, Inner Mongolia Autonomous Region, PRC	Hohhot, Inner Mongolia Autonomous Region, PRC	Environment and facility services	43,360,000.00	–	51.00	Incorporation
Bioland Environmental Protection Technology	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Environmental and ecological monitoring, agricultural science research	10,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Gao Le Health Care Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	30,000,000.00	–	100.00	Incorporation
Shenzhen Expressway Construction Technology Development Co., Ltd.	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Construction and Engineering	40,000,000.00	–	51.00	Incorporation
Guangdong New Energy	Liannan Yao Autonomous County, Guangdong Province, PRC	Liannan Yao Autonomous County, Guangdong Province, PRC	Investment holding	1,956,550,000.00	–	100.00	Incorporation
Qiantai Company	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Comprehensive utilization of resources	307,692,300.00	–	63.33	Business combinations not under common control
Shenzhen Longda Expressway Co., Ltd. ("Longda Company")	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Toll road operation	50,000,000.00	89.93	–	Business combinations under common control

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
Shenzhen Guangming Shenzhen Expressway Environment Technology Co., Ltd. (“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
Harbin Nengchuang Fenglian New Energy Co., Ltd.	Harbin, Heilongjiang Province, PRC	Harbin, Heilongjiang Province, PRC	Manufacturing	5,000,000.00	–	51.00	Incorporation
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



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Place of main business	Place of registration	Nature of business	Registered capital (RMB, unless otherwise specified)	Shareholding proportion (%)		
					Direct	Indirect	Acquired through
Shengao Lelang	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
Bay Area Development	Hong Kong, PRC	Cayman Islands	Investment holding	HKD1,000,000,000.00	–	71.83	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
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

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
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 (Note 3)	Shenzhen, Guangdong Province, PRC	Shenzhen, Guangdong Province, PRC	Health, elderly care and nursing services	13,000,000.00	-	60.00	Business combinations not under common control

Note 1: The Board of Directors of Qinglong Company is composed of 7 directors, and the Group is entitled to nominate 5 directors and the voting on business matters made by the Board of Directors is effective only after it is approved by more than half of all directors. The Group substantially controls Qinglong Company.

Note 2: Environment Company, a subsidiary of the Company and the parent company of Nanjing Wind Power, entered into an Agreement with certain minority shareholders of Nanjing Wind Power, under which such minority shareholders transferred 1.96% of the equity interest in Nanjing Wind Power to Environment Company for free as a compensation for failure to satisfy the commitment to valuation adjustment mechanism. The above transaction was completed in October 2024, and the Group's shareholding in Nanjing Wind Power was changed from 98.04% to 100%.

Note 3: New subsidiary through business combinations not involving entities under common control.



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(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiaries

31 December 2024

RMB

Name of subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders	Dividend declared to minority shareholders	Balance of minority interests at the end of the year
Qinglian Company	23.63%	12,637,326.34	–	719,618,782.46
Shenchang Company	49.00%	64,937,204.67	(80,360,000.00)	154,063,544.00
Qinglong Company	50.00%	14,154,323.24	(120,000,000.00)	325,591,486.24
Bioland Company	7.71%	(28,081,168.10)	(2,007,474.99)	147,779,104.66
Qiantai Company	36.67%	(58,175,891.28)	–	80,557,372.76
Longda Company	10.07%	9,403,201.00	–	27,536,577.69
Bay Area Development	28.17%	40,992,236.00	(167,979,701.55)	3,265,687,205.82
Total		55,867,231.87	(370,347,176.54)	4,720,834,073.63

31 December 2023

RMB

Name of subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders	Dividend declared to minority shareholders	Balance of minority interests at the end of the year
Qinglian Company	23.63%	13,219,219.25	–	737,390,565.70
Shenchang Company	49.00%	64,112,160.97	(58,800,000.00)	169,486,339.33
Qinglong Company	50.00%	29,429,932.36	(120,000,000.00)	431,437,163.00
Bioland Company	7.71%	(10,002,227.39)	–	177,867,747.75
Bay Area Development	28.17%	43,900,953.11	(84,018,673.48)	3,392,674,671.37
Nanjing Wind Power	1.96%	(95,573,217.42)	–	2,461,177.10
Total		45,086,820.88	(262,818,673.48)	4,911,317,664.25

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3) Major financial information of significant non-wholly-owned subsidiaries

RMB

Name of subsidiary	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinglian Company	158,981,331.60	5,373,976,578.41	5,532,957,910.01	311,718,652.48	2,323,189,113.18	2,634,907,765.66
Shenchang Company	109,793,890.74	376,173,439.76	485,967,330.50	171,728,873.40	–	171,728,873.40
Qinglong Company	336,964,154.91	711,656,170.39	1,048,620,325.30	194,033,119.31	203,404,233.50	397,437,352.81
Bay Area Development	1,570,161,438.49	15,152,114,086.83	16,722,275,525.32	3,558,557,704.52	1,620,400,257.34	5,178,957,961.86
Bioland Company	598,862,095.11	3,215,814,431.62	3,814,676,526.73	606,409,535.57	1,176,127,615.29	1,782,537,150.86
Qiantai Company	355,625,184.31	298,498,059.89	654,123,244.20	321,140,592.80	108,812,181.61	429,952,774.41
Longda Company	300,397,947.46	134,353,254.50	434,751,201.96	41,880,956.64	119,418,629.84	161,299,586.48

RMB

Name of subsidiary	31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinglian Company	138,386,950.72	5,619,516,244.92	5,757,903,195.64	319,251,272.71	2,361,392,088.93	2,680,643,361.64
Shenchang Company	21,270,794.11	434,663,902.37	455,934,696.48	110,221,146.87	–	110,221,146.87
Qinglong Company	253,942,904.75	1,169,757,423.32	1,423,700,328.07	189,348,799.17	371,477,202.88	560,826,002.05
Bay Area Development	1,285,079,694.83	15,309,911,442.91	16,594,991,137.74	2,336,495,801.28	2,386,635,945.94	4,723,131,747.22
Bioland Company	647,206,245.11	3,608,707,313.39	4,255,913,558.50	895,289,843.73	929,829,083.98	1,825,118,927.71
Nanjing Wind Power	911,225,840.74	253,586,193.86	1,164,812,034.60	847,125,884.03	194,692,783.14	1,041,818,667.17



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3) Major financial information of significant non-wholly-owned subsidiaries (Continued)

RMB

Name of subsidiary	2024			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Qinglian Company	638,110,213.78	53,480,009.90	53,480,009.90	487,204,359.77
Shenchang Company	271,285,958.99	132,524,907.49	132,524,907.49	186,362,668.80
Qinglong Company	637,004,892.35	28,308,646.47	28,308,646.47	438,636,802.06
Bay Area Development	884,318,402.89	333,207,969.71	267,765,242.70	568,931,599.63
Bioland Company	504,025,408.61	(396,647,779.93)	(396,647,779.93)	109,879,918.47
Qiantai Company	190,080,059.68	(153,831,049.35)	(153,831,049.35)	(37,097,623.42)
Longda Company	211,543,938.46	93,378,361.46	93,378,361.46	84,120,155.78

RMB

Name of subsidiary	2023			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Qinglian Company	683,198,476.78	55,942,527.49	55,942,527.49	483,552,638.67
Shenchang Company	270,475,646.17	130,841,144.84	130,841,144.84	185,309,633.42
Qinglong Company	640,174,850.97	58,859,864.72	58,859,864.72	433,073,340.69
Bay Area Development	953,328,084.38	293,227,115.25	251,084,715.41	467,865,776.15
Bioland Company	630,531,990.61	(121,127,439.66)	(121,127,439.66)	21,527,834.39
Nanjing Wind Power	13,191,556.25	(328,648,564.71)	(328,648,564.71)	138,141,803.60

Substantial restriction to the usage of assets or the settlement of liabilities of the Group

As at 31 December 2024, there was no substantial restriction which prohibited the usage of assets or the settlement of liabilities of the Group.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Transaction which gives rise to changes in ownership interests in subsidiaries while the subsidiaries are still held by the Group

(1) Descriptions on changes in ownership interests in subsidiaries

Please refer to Note VII, 1(1).

(2) Effect of the transaction on minority interests and equity attributable to shareholders of the Company

RMB

	Nanjing Wind Power
Acquisition cost/Disposal consideration	
– Cash	–
– Fair value of non-cash assets	4,103,462.28
Total acquisition cost/disposal consideration	4,103,462.28
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	152,113.34
Difference	3,951,348.94
Including: Adjustment to capital reserve	(3,951,348.94)

3. Interests in associates and joint ventures

(1) Significant associates and joint ventures

Name	Place of main business	Place of registration	Nature of business	Shareholding proportion (%)		Method of accounting treatment
				Direct	Indirect	
Derun Environment	Chongqing, PRC	Chongqing, PRC	Environmental governance and resource recovery	–	20.00	Equity method
Guangzhou-Shenzhen-Zhuhai Expressway	Guangdong Province	Guangzhou, Guangdong Province	Toll road operation	–	45.00	Equity method
Guangzhou-Zhuhai West Line Expressway	Guangdong Province	Guangzhou, Guangdong Province	Toll road operation	–	50.00	Equity method



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in associates and joint ventures (Continued)

(2) Major financial information of significant associates and joint ventures

RMB

Item	31 December 2024/2024			31 December 2023/2023			
	Derun Environment (Note)	Guangzhou-Shenzhen-Zhuhai Expressway	Guangzhou-Zhuhai West Line Expressway	Derun Environment	Guangzhou-Shenzhen-Zhuhai Expressway	Guangzhou-Zhuhai West Line Expressway	United Land Company
Current assets	11,576,206,667.47	2,167,665,777.17	466,735,527.24	14,043,801,415.95	1,272,156,375.42	489,478,896.41	7,454,904,093.07
Including: Cash and cash equivalents	3,965,866,783.80	1,856,103,677.30	441,838,640.63	6,279,078,823.65	776,264,696.16	457,809,780.60	184,863,951.76
Non-current assets	52,642,846,362.75	14,282,941,917.69	10,737,951,633.92	51,406,022,296.12	14,348,059,774.01	11,274,866,099.67	295,906,325.38
Total assets	64,219,053,030.22	16,450,607,694.86	11,204,687,161.16	65,449,823,712.07	15,620,216,149.43	11,764,344,996.08	7,750,810,418.45
Current liabilities	12,542,074,244.03	1,910,229,059.39	942,350,570.47	12,699,222,538.16	1,579,391,632.65	953,295,683.23	5,615,128,028.80
Non-current liabilities	17,593,527,623.20	2,760,186,927.90	3,361,360,181.74	19,308,590,551.06	2,492,153,431.23	3,763,325,563.91	-
Total liabilities	30,135,601,867.23	4,670,415,987.29	4,303,710,752.21	32,007,813,089.22	4,071,545,063.88	4,716,621,247.14	5,615,128,028.80
Minority interests	15,816,804,731.11	-	-	15,365,656,834.29	-	-	-
Equity attributable to shareholders of the Company	18,266,646,431.88	11,780,191,707.57	6,900,976,408.95	18,076,353,788.56	11,548,671,085.55	7,047,723,748.94	2,135,682,389.65
Share of net assets calculated according to shareholding ratio	3,653,329,286.38	5,301,086,268.41	3,450,488,204.48	3,615,270,757.71	5,196,901,988.50	3,523,861,874.47	732,539,059.65
Adjustments	1,462,953,999.22	(60,315,270.33)	-	1,462,953,999.22	(62,323,729.96)	-	(54,882,407.98)
- Goodwill	1,462,953,999.22	-	-	1,462,953,999.22	-	-	-
- Unrealized profits from internal transactions	-	(61,302,770.31)	-	-	(63,311,229.94)	-	(54,882,407.98)
- Others	-	987,499.98	-	-	987,499.98	-	-
Carrying amount of equity investment in associates and joint ventures	5,116,283,285.60	5,240,770,998.08	3,450,488,204.48	5,078,224,756.93	5,134,578,258.54	3,523,861,874.47	677,656,651.67
Fair value of equity investment in associates and joint ventures with publicly quoted prices	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating income	13,220,827,963.64	2,885,189,075.29	1,268,678,563.31	13,515,672,679.62	2,892,202,770.25	1,303,868,084.44	6,572,072,557.51
Income tax expenses	364,760,022.60	406,678,997.03	95,280,458.82	365,712,676.72	459,001,374.34	94,301,802.52	604,465,440.39
Net profit	684,126,831.89	535,983,865.65	186,230,257.46	893,787,963.60	435,558,677.38	212,477,344.13	1,821,206,411.25
Net profit from discontinued operations	-	-	-	-	-	-	-
Other comprehensive income	97,300,938.39	-	-	50,894,843.05	-	-	-
Total comprehensive income	781,427,770.28	535,983,865.65	186,230,257.46	944,682,806.65	435,558,677.38	212,477,344.13	1,821,206,411.25
Dividends received from associates and joint ventures in the current year	120,000,000.00	-	166,488,798.72	168,000,000.00	289,376,782.72	111,822,142.97	-

Note: The Group shares the net profit of Derun Environment attributable to shareholders of the Company at a 20% shareholding ratio. After deducting the current-year premium amortization of RMB38,958,292.92, the Group recognized the income from investment in Derun Environment of RMB136,825,366.38. The Group shares, based on the 20% shareholding ratio, other comprehensive income net of tax of Derun Environment attributable to shareholders of the Company amounting to RMB19,460,187.68, and increases the capital reserve of the Group by RMB1,772,974.61 as a result of an increase in capital reserve of Derun Environment. Please refer to Note V, 13.

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in associates and joint ventures (Continued)

(3) Major financial information of insignificant associates and joint ventures

RMB

Item	31 December 2024/2024	31 December 2023/2023
Associates and joint ventures:		
Total carrying amount of investments	5,947,840,729.06	4,301,500,579.13
Total of the following items calculated according to the shareholding ratio		
– Net profit	380,003,275.04	372,096,274.67
– Other comprehensive income	17,219,684.85	18,567,363.70
– Total comprehensive income	397,222,959.89	390,663,638.37

As at 31 December 2024, there was no substantial restriction on transferring funds between the associates and joint ventures of the Group.

VIII. GOVERNMENT GRANTS

1. Government grants recognized at the amount of receivables at the end of the reporting year

RMB

Closing balance of receivables

–

2. Liabilities involving government grants

RMB

Item	Opening balance	Amount of new government grants	Amount included in non-operating income	Amount included in other income	Other changes (Note)	Closing balance	Related to assets/ income
Central subsidy funds for cancellation of the provincial expressway toll station project	23,122,673.06	–	–	6,232,553.55	(4,558,959.89)	12,331,159.62	Related to assets
Government financial grants for Guizhou Land	476,361.30	–	–	11,060.95	–	465,300.35	Related to assets
Government economic grants for Bioland Company	19,717,768.95	3,138,870.00	–	1,005,081.07	–	21,851,557.88	Related to assets
Total	43,316,803.31	3,138,870.00	–	7,248,695.57	(4,558,959.89)	34,648,017.85	

Note: It mainly represents the disposal of equity interest in Yichang Company, resulting in a decrease in deferred revenue. Please refer to Note VI, 2.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

VIII. GOVERNMENT GRANTS (CONTINUED)

3. Government grants included in profit or loss

RMB

Item	2024	2023
Award for return of Duohua Project	–	13,603,415.00
Central government subsidy for cancellation of provincial expressway toll station project	6,232,553.55	7,129,398.11
VAT immediate refund upon payment	9,075,397.45	8,233,624.93
Government economic grants for Bioland Company	1,005,081.07	3,480,486.90
Government financial grants for Guizhou Land	11,060.95	32,486.18
Others	5,803,873.49	10,715,278.79
Total	22,127,966.51	43,194,689.91

IX. FINANCIAL INSTRUMENTS AND RISKS

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 year, the Group has the following financial instruments. Please refer to Note V. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure that the risks are monitored at a certain level.

RMB

Item	31 December 2024	31 December 2023
Financial assets		
Measured at fair value through profit or loss		
Transactional financial assets	129,822,937.64	468,792,208.25
Other non-current financial assets	970,911,383.44	895,069,302.26
Measured at amortized cost		
Cash at banks and on hand	2,908,582,010.43	2,152,367,633.05
Bills receivable	1,390,389.45	500,000.00
Accounts receivable	957,468,799.75	967,487,093.08
Other receivables	834,685,738.81	602,215,140.81
Non-current assets due within one year	435,993,394.13	264,774,570.13
Other current assets	374,275,722.22	204,392,500.00
Long-term receivables	3,200,026,120.96	2,334,935,756.66

IX. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

RMB

Item	31 December 2024	31 December 2023
Financial liabilities		
Measured at fair value through profit or loss		
Transactional financial liabilities	197,664,719.66	148,117,309.14
Measured at amortized cost		
Short-term borrowings	2,573,849,184.49	11,105,625,836.85
Bills payable	870,678,402.08	89,735,513.24
Accounts payable	2,987,806,080.65	2,588,545,523.67
Other payables	1,169,000,291.23	1,059,445,155.50
Non-current liabilities due within one year	2,544,252,549.95	2,392,022,913.00
Other current liabilities	3,016,271,998.43	1,512,594,613.40
Long-term borrowings	13,912,273,334.21	9,567,707,809.79
Bonds payable	10,194,223,064.28	7,159,103,456.71
Lease liabilities	15,896,203.85	45,614,131.00
Long-term payables	387,586,715.85	907,277,866.27

The Group adopts sensitivity analysis technique to analyze how profit or loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives, policies and procedures, and changes during the year

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure that the risks are monitored at a certain level.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

IX. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the year (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 purchases and sales of several subsidiaries of the Group in HKD and USD, other principal operating activities of the Group are denominated and settled in RMB. As at 31 December 2024, the Group's assets and liabilities are all denominated in functional currency, except for the balances of assets or liabilities set out below, which are in currencies other than functional currency.

RMB

Item	31 December 2024	31 December 2023
Cash at banks and on hand	20,380,768.24	14,393,915.63
Other receivables	–	7,800.50
Other payables	37,046.23	2,560,215.27
Non-current liabilities due within one year	18,135,733.76	17,869,061.62
Bonds payable	2,156,520,000.00	2,116,263,707.56
Lease liabilities	8,556,356.26	–

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all hedges of net investments in foreign operations and the cash flow hedges are highly effective.

Based on the above assumptions, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on profit or loss for the period and shareholders' equity:

RMB

Items	Changes in exchange rate	2024		2023	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
USD	10% increase against RMB	(217,369,374.20)	(217,369,374.20)	(212,613,849.65)	(212,613,849.65)
USD	10% decrease against RMB	217,369,374.20	217,369,374.20	212,613,849.65	212,613,849.65
HKD	10% increase against RMB	1,082,537.40	1,082,537.40	384,722.82	384,722.82
HKD	10% decrease against RMB	(1,082,537.40)	(1,082,537.40)	(384,722.82)	(384,722.82)

IX. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the year (Continued)

1.1 Market risk (Continued)

1.1.2 Interest rate risk – risk of changes in cash flows

The Group's risk of changes in the 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.

Sensitivity analysis on interest rate risk

Where all other variables are held constant, the reasonably possible changes in the interest rate may have the following pre-tax effect on profit or loss for the period and shareholders' equity:

RMB

		2024		2023	
Item	Changes in interest rate	Effect on		Effect on	
		Effect on profit	shareholders' equity	Effect on profit	shareholders' equity
RMB	100 basis points higher	(129,581,185.29)	(129,581,185.29)	(146,329,247.80)	(146,329,247.80)
RMB	100 basis points lower	129,581,185.29	129,581,185.29	146,329,247.80	146,329,247.80

1.2 Credit risk

As at 31 December 2024, 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. 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 the fair value in the future. In addition, the Group's maximum exposure to credit risk includes the amount of financial guarantee contract as disclosed in Note XII, 2 "Contingencies".

In order to reduce credit risk, the Group deals only with recognized and reputable third parties. In accordance with the Group's policy, all customers requiring credit transactions are subject to credit checking. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group does not face significant risk of bad debts. For transactions that are not settled in functional currencies of the relevant business units, the Group will not provide conditions for credit transactions unless the Group's credit control department specifically approves them.

The Group continuously conducts credit assessment on the financial status of customers, and the bad debt loss is maintained within the amount expected by the management.

The credit risk on liquid funds is limited because they are deposited with banks with high credit ratings.



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For the year ended 31 December 2024

(RMB)

IX. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

1. Risk management objectives, policies and procedures, and changes during the year (Continued)

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the use of bank loans and ensures compliance with loan agreements.

As at 31 December 2024, the Group had unused bank credit lines totaling RMB65,821,646,851.00, which can satisfy the Group's debt and capital commitments. The Group can solve the lack of working capital through reasonable financing arrangements.

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	2,596,347,556.74	–	–	–	2,596,347,556.74
Bills payable	870,678,402.08	–	–	–	870,678,402.08
Accounts payable	2,987,806,080.65	–	–	–	2,987,806,080.65
Other payables	1,169,000,291.23	–	–	–	1,169,000,291.23
Non-current liabilities due					
within one year	2,594,839,271.70	–	–	–	2,594,839,271.70
Other current liabilities	3,025,761,556.23	–	–	–	3,025,761,556.23
Long-term borrowings	382,349,601.99	1,962,387,514.41	8,780,960,967.02	4,620,685,846.31	15,746,383,929.73
Bonds payable	265,004,100.00	4,922,342,808.33	4,866,333,333.33	1,078,250,000.00	11,131,930,241.66
Lease liabilities	–	12,547,223.39	3,742,849.56	47,619.05	16,337,692.00
Long-term payables	–	–	387,586,715.85	–	387,586,715.85
Transactional financial					
liabilities	197,664,719.66	–	–	–	197,664,719.66
Mortgage guarantee	354,654,141.77	–	–	–	354,654,141.77
Total	14,444,105,722.05	6,897,277,546.13	14,038,623,865.76	5,698,983,465.36	41,078,990,599.30

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.

IX. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

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.

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 dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or procedures for managing capital in 2024 and 2023.

The Group monitors capital using an asset-liability ratio, which is total liabilities divided by total assets. The Group's asset-liability ratio as at the balance sheet date is as follows:

RMB

Item	31 December 2024	31 December 2023
Total assets	67,558,030,948.58	67,507,469,090.77
Total liabilities	40,356,460,239.19	39,508,787,105.65
Asset-liability ratio	59.74%	58.53%

X. DISCLOSURE OF FAIR VALUE

1. Closing balance of fair value of assets and liabilities measured at fair value

31 December 2024

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	–	–	129,822,937.64	129,822,937.64
Other non-current financial assets	363,513,150.00	–	607,398,233.44	970,911,383.44
Transactional financial liabilities	–	–	(197,664,719.66)	(197,664,719.66)
Total	363,513,150.00	–	539,556,451.42	903,069,601.42

The fair value of level 3 financial instrument is estimated using the market approach, discounted cash flow method, etc. Unobservable inputs mainly include discount rate, liquidity discount, etc. The Group believes that the fair value estimated based on valuation techniques and its changes are reasonable and it is the most appropriate value at 31 December 2024.

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

As at 31 December 2024, the management of the Company considers that the carrying amounts of financial assets and financial liabilities in the Group's financial statements approximate their fair values.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024
(RMB)

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	Interest held	Voting rights
Shenzhen International	Bermuda	Investment holding	HKD2,000,000,000.00	51.561%	51.561%

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.

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 year or had related party transactions with the Group in the previous period is as follows:

Name	Relationship with the Company
Yunji Smart	Associate or joint venture
Huayu Company	Associate or joint venture
Huai'an Zhongheng	Associate or joint venture
Yangmao Company	Associate or joint venture
United Land Company	Associate or joint venture
Nanjing Anvis Transmission Technology Co., Ltd. ("Nanjing Anvis")	Subsidiary of the associate or joint venture
Guangzhou-Shenzhen-Zhuhai Expressway	Associate or joint venture
Xintang Joint Venture	Associate or joint venture
GZ W2 Company	Associate or joint venture
Nanjing Third Bridge Company	Associate or joint venture
Guangzhou-Zhuhai West Line Expressway	Associate or joint venture
Nanning Sanfeng Energy Co., Ltd. ("Nanning Sanfeng")	Subsidiary of the associate or joint venture

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information about other related parties

Name	Relationship with the Company
Shenzhen International South-China Logistics Co., Ltd. ("SC Logistics Company")	Wholly-owned subsidiary of the controlling shareholder
Shenzhen International Co., Ltd. ("Shenzhen International Hong Kong")	Wholly-owned subsidiary of the controlling shareholder
Shenzhen International Modern Logistics Petty Loan Co. Ltd. ("Shenzhen International Modern Logistics Petty Loan")	Wholly-owned subsidiary of the controlling shareholder
Henan Yudong Shenan Port Co., Ltd. ("Henan Yudong")	Holding subsidiary of the controlling shareholder
Hunan Guangyuan Culture Media Co., Ltd. ("Hunan Guangyuan")	Holding company of minority shareholders in a subsidiary
Xin Tong Chan Company	Wholly-owned subsidiary of the controlling shareholder
United Electronic	Participating company
Water Planning & Design Institute	Participating company

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	2024	2023
United Electronic (Note 1)	Receipt of network tolling settlement services	26,935,367.41	26,625,559.04
Yunji Smart (Note 2)	Receipt of engineering survey, design and consulting services	24,298,366.14	31,501,268.60
Guangzhou-Shenzhen-Zhuhai Expressway (Note 3)	Receipt of corporate management services and brokerage services	22,534,176.91	16,660,151.50
Guangzhu West Line Expressway (Note 3)	Receipt of corporate management services	1,883,894.98	1,313,150.78
Nanning Sanfeng	Receipt of sewage, sludge, and waste disposal services	847,551.03	1,569,679.60
Nanjing Anvis	Receipt of wind turbine repair service	1,962,138.05	—
Xintang Joint Venture (Note 3)	Receipt of corporate management services	801,886.79	1,332,547.18
United Land Company	Purchase of house property	—	353,672,990.00
Water Planning & Design Institute	Receipt of technical services regarding flood control for projects and water-related impact	—	2,287,500.00
Others (Note 4)	Receipt of power supply services and others	—	348,759.88
Total		79,263,381.31	435,311,606.58

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

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)

Procurement of goods/receipt of labor services (Continued)

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 to receive engineering survey and design, consulting, highway inspection and special maintenance services for Outer Ring Expressway and other roads of the Group.

Note 3: Bay Area Development, a subsidiary of the Company, received the corporate management services and brokerage services provided by Guangzhou-Shenzhen-Zhuhai Expressway, Xintang Joint Venture and Guangzhu West Line Expressway.

Note 4: Operation Development Company and Qinglong Company, subsidiaries of the Company, received water and electricity resources provided by Huayu Company and SC Logistics Company. The respective transaction amounts were not presented separately as they were not material.

Sale of goods/rendering of labor services:

RMB

Name of related party	Content of transaction	2024	2023
GZ W2 Company	Engineering construction services	2,610,274.31	—
Huai'an Zhongheng	Operation and maintenance services	317,482.41	3,549,970.99
(Note 1)			
Yunji Smart (Note 2)	Commission sale of water and electricity services	20,831.53	3,606,910.64
Others (Note 3)	Commission sale of water and electricity services and others	425,141.47	531,014.65
Total		3,373,729.72	7,687,896.28

Note 1: Nanjing Wind Power, a subsidiary of the Company, entered into an entrusted operation contract with Huai'an Zhongheng, under which it provides entrusted management services for Huai'an Zhongheng's wind power plants.

Note 2: Outer Ring Company and Coastal Company, subsidiaries of the Company, provide water and electricity resources to Yunji Smart.

Note 3: The Group provides water and electricity services and other services to Xin Tong Chan Company, Huayu Company and United Electronic. 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 in the current year	Lease income recognized in the prior year
Henan Yudong	Equipment leasing	555,516.14	2,638,388.09
Hunan Guangyuan	Billboard	194,400.00	180,000.00
Total		749,916.14	2,818,388.09

(b) The Group as a lessee

RMB

Lessor	Type of assets leased	Rental costs for short-term leases and leases of low-value assets that are accounted for using simplified approach		Rents paid		Interest expenses on lease liabilities assumed		Right-of-use assets acquired	
		For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December
		2024	2023	2024	2023	2024	2023	2024	2023
Huayu Company	Billboard land use rights	-	-	-	453,869.28	-	52,863.60	-	-
SC Logistics Company	Lease of premises	-	44,365.30	-	-	-	-	-	-
Total		-	44,365.30	-	453,869.28	-	52,863.60	-	-



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

*(3) Remuneration of key management personnel

RMB

Item	For the year ended 31 December 2024	For the year ended 31 December 2023
Basic salary, housing allowance, other allowances and non-cash benefits	11,867,164.99	12,054,113.36
Total contributions to the pension scheme	—	—
Total amount of bonuses paid or payable to the highly paid individuals as appropriate or based on performance	—	—

Key management personnel include directors, supervisors and senior management personnel. The Company has a total of 23 (2023: 19) key management personnel during the year.

(a) Remuneration of directors and supervisors

The remuneration for each director and supervisor in 2024 is as follows:

RMB

Name	Remuneration	Salary and bonus	Total
Xu Enli	—	106,700.00	106,700.00
Liao Xiangwen	—	1,123,000.00	1,123,000.00
Wang Zengjin	—	—	—
Yao Hai	—	1,041,500.00	1,041,500.00
Lin Jitong	—	—	—
Wen Liang	—	—	—
Ye Huihui	—	529,833.93	529,833.93
Dai Jingming	—	—	—
Li Xiaoyan	—	—	—
Lv Dawei	—	—	—
Bai Hua	32,050.00	—	32,050.00
Li Feilong	230,000.00	—	230,000.00
Miao Jun	230,000.00	—	230,000.00
Xu Huaxiang	230,000.00	—	230,000.00
Yan Yan	197,950.00	—	197,950.00
Wang Chao	—	—	—

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

*(3) Remuneration of key management personnel (Continued)

(a) Remuneration of directors and supervisors (Continued)

The remuneration for each director and supervisor in 2023 is as follows:

RMB

Name	Remuneration	Salary and bonus	Total
Liao Xiangwen	—	1,170,800.00	1,170,800.00
Wang Zengjin	—	1,082,000.00	1,082,000.00
Lin Jitong	—	—	—
Wen Liang	—	—	—
Ye Huihui	—	510,384.00	510,384.00
Dai Jingming	—	—	—
Li Xiaoyan	—	—	—
Lv Dawei	—	—	—
Bai Hua	230,000.00	—	230,000.00
Li Feilong	230,000.00	—	230,000.00
Miao Jun	230,000.00	—	230,000.00
Xu Huaxiang	230,000.00	—	230,000.00
Wang Chao	—	—	—

The remuneration of the above directors and supervisors has been reflected in the remuneration of key management personnel.

In the current year, the meeting allowances (before tax) payable to directors Liao Xiangwen, Wen Liang, Dai Jingming (resigned), Li Xiaoyan (resigned), Bai Hua (resigned), Yao Hai, Lv Dawei (resigned), Yan Yan, Li Feilong, Miao Jun and Xu Huaxiang, and to supervisors Lin Jitong (resigned), Wang Chao and Ye Huihui amounted to RMB18,500.00, RMB14,500.00, RMB14,000.00, RMB18,000.00, RMB5,500.00, RMB10,500.00, RMB13,500.00, RMB17,000.00, RMB24,500.00, RMB24,500.00, RMB22,500.00, RMB10,000.00, RMB10,500.00, and RMB10,500.00, respectively. Among others, directors Liao Xiangwen, Wen Liang, Dai Jingming, Li Xiaoyan and Yao Hai, and supervisors Lin Jitong and Wang Chao have waived their rights to receive the meeting allowances of the year.

In addition, directors Xu Enli, Liao Xiangwen, Wang Zengjin, Yao Hai and supervisor Ye Huihui also received other benefits and allowances, including employer contributions to the retirement plan and employee medical insurance plan, which amounted to RMB20,588.44 (2023: RMB nil), RMB236,821.93 (2023: RMB243,316.32), RMB nil (2023: RMB223,050.72), RMB228,337.93 (2023: RMB nil), RMB167,533.38 (2023: RMB160,016.40), respectively.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

* (3) Remuneration of key management personnel (Continued)

(b) Five highest paid individuals

Two directors (2023: two directors) were included in the top five highest paid individuals of the Group in the current year, the remuneration of whom has been reflected in the table above; and the total amount of remuneration of the other three (2023: three) individuals is listed as follows:

RMB

Item	For the year ended 31 December 2024	For the year ended 31 December 2023
Basic salary, housing allowance, other allowances and non-cash benefits	3,733,504.79	3,851,063.56
Total contributions to the pension scheme	—	—
Total amount of bonuses paid or payable to the highly paid individuals as appropriate or based on performance	—	—

Scope of remuneration	Number of individuals in 2024	Number of individuals in 2023
HKD0 to HKD1,000,000	—	—
HKD1,000,001 to HKD1,500,000	3	3
HKD1,500,001 to HKD2,000,000	—	—
HKD2,000,001 and above	—	—

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Borrowings from/to related parties

Borrowings from related parties:

RMB

Related party	Amount of borrowings	31 December 2024	Interest rate	Inception date	Due date
United Land Company (Note)	–	387,586,715.85	–	29 December 2021	–
Total	–	387,586,715.85			

Note: As at 31 December 2024, the balance of the Company's interest-free borrowing from United Land Company was RMB387,586,715.85.

6. Receivables due from and payables due to related parties

(1) Receivable items

RMB

Item	Related parties	31 December 2024		31 December 2023	
		Gross carrying amount	Bad debt provision	Gross carrying amount	Bad debt provision
Accounts receivable	GZ W2 Company	2,845,199.00	–	–	–
Accounts receivable	Huayu Company	67,036.43	–	94,495.02	–
Accounts receivable	Huai'an Zhongheng	–	–	1,096,043.99	–
Prepayments	Yunji Smart	3,066,691.80	–	1,533,345.90	–
Prepayments	United Electronic	69,522.41	–	79,608.86	–
Other receivables (Note V, 6.3)	Huai'an Zhongheng	88,331,191.80	26,499,357.54	88,331,191.80	7,066,495.34
Other receivables (Note V, 6.3)	Guangzhou-Shenzhen-Zhuhai Expressway	2,233,659.11	–	188,000.00	–
Other receivables (Note V, 6.3)	Xintang Joint Venture	425,000.00	–	425,000.00	–
Other receivables (Note V, 6.3)	Guangzhou-Zhuhai West Line Expressway	279,031.22	–	–	–
Other receivables (Note V, 6.3)	United Electronic	92,895.74	–	79,340.08	–
Other receivables (Note V, 6.3)	Yunji Smart	84,050.00	–	84,050.00	–
Other receivables (Note V, 6.3)	Huayu Company	20,000.00	–	20,000.00	–
Long-term receivables	Henan Yudong	–	–	77,735,004.96	–
Other non-current assets	United Land Company	–	–	342,599,500.00	–



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties (Continued)

(2) Payable items

RMB

Item	Related parties	31 December 2024	31 December 2023
Accounts payable	Yunji Smart	16,973,345.72	16,423,528.16
Accounts payable	Nanjing Anvis	2,273,004.00	1,348,004.00
Accounts payable	United Electronic	320,113.40	321,898.41
Accounts payable	Nanning Sanfeng	50,783.03	143,300.00
Other payables (Note V, 32.3(1))	Yangmao Company	45,000,000.00	37,500,000.00
Other payables (Note V, 32.3(1))	Yunji Smart	40,524,132.86	58,432,627.86
Other payables (Note V, 32.3(1))	Nanjing Third Bridge Company	41,296,500.00	—
Other payables (Note V, 32.3(1))	GZ W2 Company	25,000,000.00	—
Other payables (Note V, 32.3(1))	Huayu Company	23,200,000.00	15,200,000.00
Other payables (Note V, 32.3(1))	Guangzhou-Shenzhen-Zhuhai Expressway	6,069,685.20	6,158,000.00
Other payables (Note V, 32.3(1))	United Electronic	1,770,754.25	1,824,949.44
Other payables (Note V, 32.3(1))	Nanjing Anvis	38,766.48	—
Other payables (Note V, 32.3(1))	Xin Tong Chan Company	5,000.00	5,000.00
Other payables (Note V, 32.3(1))	Shenzhen International Petty Loan	2,196.12	2,196.12
Long-term payables (Note V, 38.(1))	United Land Company	387,586,715.85	824,596,715.85

Amounts due from/to related parties above are non-interest bearing, unsecured and have no fixed repayment terms.

7. Commitments to related parties

The following table presents the commitments related to related parties that have been contracted but have not been presented on the balance sheet:

(1) Receipt of services

RMB

Related party	31 December 2024	31 December 2023
Yunji Smart	43,442,094.30	87,124,583.13
Nanning Sanfeng	96,016.80	—

XI. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Commitments to related parties (Continued)

(2) Rendering of labor services

RMB

	31 December 2024	31 December 2023
Related party		
GZ W2 Company	2,877,558.00	–

(3) Investment commitments

As at 31 December 2024, the Group had no investment commitments.

(4) Equity acquisition commitments

As at 31 December 2024, the Group had no equity acquisition commitments.

XII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

In addition to the related party commitments disclosed in Note XI, 7, other significant commitments of the Group are as follows:

(1) Capital commitments

RMB

Item	31 December 2024	31 December 2023
Capital commitments that have been entered into but have not been recognized in the financial statements:		
– Expressway construction	10,445,493,263.59	2,667,853,887.92
– Kitchen waste disposal projects	252,176,311.17	1,044,303,762.52
– Acquisition of equity	–	6,475,000.00
Total	10,697,669,574.76	3,718,632,650.44



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For the year ended 31 December 2024

(RMB)

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

Significant contingencies at the balance sheet date

- (a) As at 31 December 2024, the Group's guarantees for the performance of certain projects are in effect, with a total guarantee amount of approximately RMB642 million.
- (b) As at 31 December 2024, the Group provided a periodic joint and several liability guarantee amounting to RMB355 million to the bank for house mortgage loans granted by the bank to the Group's property buyers. Under the terms of guarantee, the Group is responsible for paying the outstanding mortgage loans and any accrued interest and penalties owed to the bank by the buyers in arrears if the buyers default in the mortgage payments, and the Group can then receive legal ownership of the property. The Group's guarantee period commences on the date on which the relevant mortgage loan is granted by the bank and ends on the date on which the buyer obtains the title deeds of the individual properties. The management believes that if the payment is in arrears, the net realizable value of the property is sufficient to cover the outstanding mortgage loans together with any accrued interest and penalties, and therefore no provision is made for these guarantees.
- (c) In December 2019, PowerChina Jiangxi Electric Power Construction Co., Ltd. ("PowerChina Jiangxi") entered into a *Contract on Procurement of Wind Turbine Equipment for 50MW Wind Farm Project (Phase I) in Gudian Town, Yungang, Datong* (the "Procurement Contract") with Nanjing Wind Power to purchase equipment for Datong Power Station (Phase I). The specifications of the equipment hereunder were twenty NJ140-2.5MW wind turbine generator sets, the unit price of the equipment was fixed at RMB3,900/KW, and the total price of the contract including tax was RMB195 million. On 8 October 2023, PowerChina Jiangxi filed a lawsuit to Nanchang Intermediate People's Court for reason that Nanjing Wind Power has breached the contract due to delayed delivery of goods, serious quality issues of the goods supplied, etc., which led to the delay in grid connection for project involved and resulted in huge losses on electricity price. On 8 March 2024, Nanjing Wind Power filed a counterclaim, requesting that (1) PowerChina Jiangxi shall pay Nanjing Wind Power the liquidated damages of RMB37,323.09 due to the delayed payment of the installation and commissioning fees; (2) PowerChina Jiangxi shall pay the demurrage fee of RMB54,000.00 to Nanjing Wind Power; and (3) PowerChina Jiangxi shall bear all the court costs for the case. On 6 January 2025, according to the judicial appraisal results, i.e., the *Letter of Product Quality Appraisal Opinion* (Gan Jian He [2024] Zhi Jian Zi No. 002) and the *Assessment Report on Losses from Dispute of Sale and Purchase Contract* issued by Zhongheng Insurance Appraisal Co. Ltd., PowerChina Jiangxi changed its claims to that: (1) Nanjing Wind Power shall be ordered by law to bear the costs for PowerChina Jiangxi's repairing the #05, #08, #16, #09, #11 #17 and #13 blades at a total of RMB779,823.01; (2) Nanjing Wind Power shall be ordered by law to compensate PowerChina Jiangxi for losses of RMB10,406,198.99 on electricity income arising from the reduction of power generation from December 2022 to 31 October 2024 due to the damage of #05, #08, #16, #09, #11, #17 and #13 blades; (3) Nanjing Wind Power shall be ordered by law to compensate PowerChina Jiangxi for losses of RMB127,001,370.18 on electricity subsidy income of the National Renewable Energy Development Fund available to PowerChina Jiangxi for the twenty wind turbines during the period from 31 December 2020 to 31 October 2024; (4) Nanjing Wind Power shall be ordered by law to pay liquidated damages of RMB9,750,000.00 for the delayed delivery of goods to PowerChina Jiangxi; (5) Nanjing Wind Power shall be ordered by law to compensate PowerChina Jiangxi for losses of RMB16,037,479.18 on electricity income arising from the reduction of power generation by the twenty wind turbines (when the twenty wind turbines were actually connected to the grid at full capacity) during the period from 31 December 2020 to 30 September 2021; and (6) Nanjing Wind Power shall be ordered by law to bear the court costs, preservation fees, preservation insurance fees and appraisal fees for the case. As of the date of approval for issue of the financial statements, the case is in the first-instance stage, and Nanjing Wind Power has conducted the relevant accounting treatment based on the best estimates.

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

Significant contingencies at the balance sheet date (Continued)

- (d) On 8 January 2020, Environment Company, a subsidiary of the Company, entered into the *Capital Increase and Share Transfer Agreement Regarding the Acquisition of up to 68.10% Shares of Bioland Company between Shenzhen Expressway Environment Co., Ltd., and Zhengzhou Cida Environmental Technology Co., Ltd., Beijing Shuiqi Lande Technology Co., Ltd., Shi Junying, Shi Junhua, and Bioland Company* (the “Capital Increase and Equity Transfer Agreement”) with Bioland Company and four shareholders of Bioland Company (i.e., Shi Junying, Shi Junhua, Zhengzhou Cida Environmental Technology Co., Ltd., and Beijing Shuiqi Lande Technology Co., Ltd., collectively referred to as the “Original Shareholders”), which stipulated the equity compensation for valuation adjustment mechanism and other matters. The performance of Bioland Company failed to meet the expectation from 2021 to 2023. In May 2023, the Original Shareholders submitted an application for arbitration to Shenzhen Court of International Arbitration, requesting (1) to change the formula for calculating the performance compensation under the Capital Increase and Equity Transfer Agreement, i.e., to bear the liability at a rate of 1% in respect of the performance compensation for 2021 only; (2) Environment Company to return the 22,640,000 shares that had been compensated, or to compensate RMB129,727,200.00 to the Original Shareholders if such shares are not returned due to transfer, pledge, or other reasons; (3) Environment Company to bear the Original Shareholders’ attorney fees, notary fees and other expenses for defending their rights; and (4) Environment Company to bear the arbitration costs for the case. In July 2023, Environment Company filed an arbitration with Shenzhen Court of International Arbitration, applying for that the Original Shareholders shall pay compensation to Environment Company for performance commitment for the years from 2020 to 2022, and Shenzhen Court of International Arbitration has accepted the case. In December 2023, Environment Company applied to Shenzhen Court of International Arbitration for the preservation of the properties of the Original Shareholders of Bioland Company. In May 2024, Environment Company received a notice from Shenzhen Nanshan District People’s Court which stated that the preservation measures had been taken on the known properties under the names of the Original Shareholders. In November 2024, Environment Company filed an arbitration regarding the compensation for valuation adjustment mechanism for the year 2023, applying for a change of the first item of the original arbitration request to that the Original Shareholders shall transfer 19,534,720 shares of Bioland Company to Environment Company free of charge and pay compensation for losses in the amount of RMB244,638,388.80, with other requests remained unchanged. At present, Shenzhen Court of International Arbitration has combined the aforementioned arbitration requests for trial, and the hearing is scheduled on 12 April 2025. As of the date of approval for issue of the financial statements, the case is in arbitration and the Board of Directors believes that the outcome of the arbitration and the compensation obligation (if any) cannot be reliably estimated.



NOTES TO FINANCIAL STATEMENTS

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XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

Significant contingencies at the balance sheet date (Continued)

- (e) In January 2022, Fund Company, a subsidiary of the Company, entered into a partnership agreement with China Railway Construction Southern Investment Co., Ltd. ("China Railway Construction Southern") and other investors to jointly initiate the establishment of Shenzhen Shengao Infrastructure Private Equity Investment Fund Partnership Enterprise (Limited Partnership) ("Infrastructure Fund"), which mainly invests in the transportation infrastructure sector. Fund Company, as general partner, holds 0.02% of the shares, and China Railway Construction Southern, as limited partner, holds 29.41% of the shares. The first installment of paid-in capital of the Infrastructure Fund amounted to RMB595 million, of which RMB140 million was paid-in by China Railway Construction Southern. On 13 August 2024, China Railway Construction Southern submitted an application for arbitration to Shenzhen Court of International Arbitration, mainly requesting that Fund Company and Infrastructure Fund shall (1) handle procedures for its withdrawal from the Fund; and (2) refund the principal and interest for its investment amounting to RMB152,590,277.78. As of the date of approval for issue of the financial statements, the case remains in the stage where it has been filed but arbitration tribunal has not yet been constituted, and the Board of Directors believes that the outcome of the arbitration and the compensation obligation (if any) cannot be reliably estimated.

In addition to the above matters, as at 31 December 2024, the amount of the pending litigation and arbitration cases in which the Group is the defendant totaled RMB176,449,900.00. After consulting the relevant attorney, the Company's Board of Directors believes that the outcome of the aforesaid litigation and arbitration and the compensation obligation (if any) cannot be reliably estimated.

XIII. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

1. On 8 January 2025, as approved and authorized by the General Meeting of Shareholders, the Company issued the first and second tranche of medium-term notes for 2025. Specifically, the first tranche of medium-term notes was issued in the amount of RMB1,000 million with a period of 3 years; and the second tranche of medium-term notes was issued in the amount of RMB500 million with a period of 3 years. The aforementioned bonds were listed and circulating in the interbank bond market on 10 January 2025, and the proceeds are intended to be used entirely for the repayment of interest-bearing debts of the Company and its subsidiaries.

XIII. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)

2. In order to satisfy the capital requirements for the renovation and expansion project of the Guangzhou Huocun to Dongguan Chang'an Section of Beijing-Hong Kong-Macao Expressway and the Guangzhou Huangcun to Huocun Section of Guangzhou-Foshan Expressway held by Guangzhou-Shenzhen-Zhuhai Expressway, a joint venture or associate of the Company, on 24 January 2025, Hopewell China Development, a subsidiary of the Company which is currently entitled to 45% of the profit-sharing interests in Guangzhou-Shenzhen-Zhuhai Expressway, entered into a Capital Increase Agreement in respect of Guangzhou-Shenzhen-Zhuhai Expressway with Guangdong Highway Construction Co., Ltd. ("Guangdong Highway Construction", which is currently entitled to 55% of the profit-sharing interests in Guangzhou-Shenzhen-Zhuhai Expressway). 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 the 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. The Capital Increase is not a related transaction and does not constitute a material asset reorganization.
3. In February 2025, the Company received the *Reply regarding the Approval on Registration of the Public Offering of Renewable Corporate Bonds to Professional Investors by Shenzhen Expressway Corporation Limited* (Zheng Jian Xu Ke No. 113 [2025]) from China Securities Regulatory Commission, and the major contents of the approval are as follows: I. Approve the application for registration of the Company's public offering of renewable corporate bonds with a face value of not more than RMB4,000 million to professional investors; II. The issuance of renewable corporate bonds shall strictly adhere to the prospectus submitted to the Shanghai Stock Exchange; III. The approval is valid for 24 months from the date of approval for registration, and the Company may issue renewable corporate bonds in installments during the validity period; and IV. From the date of approval to the end of the issuance of these renewable corporate bonds, the Company shall promptly report any material matters and deal with them (if any) in accordance with the relevant regulations. The Board of Directors of the Company will handle matters relating to the issuance of the renewable corporate bonds in accordance with the requirements of the aforesaid approval documents and the authorization of the General Meeting of Shareholders of the Company, and will perform its information disclosure obligation in a timely manner.
4. The *Proposal for Granting the General Authorization to the Board of Directors for Issuing Bond-type Financing Instruments* was approved at the Company's 2023 General Meeting of Shareholders, whereby the Board of Directors of the Company was granted a general authorization to issue bond-type financing instruments in one or several tranches to the extent that the aggregate outstanding balance does not exceed the equivalent of RMB15 billion. In compliance with the authorization of the General Meeting of Shareholders, the Company applied to the National Association of Financial Market Institutional Investors ("NAFMII") for registration of the issuance of the Ultra-Short-Term Financing Bonds and received a *Notice on Acceptance of the Registration* (Zhong Shi Xie Zhu No. SCP26 [2025]) issued by the NAFMII in February 2025. Pursuant to the Notice, the NAFMII decided to accept the registration of the Company's Ultra-Short-Term Financing Bonds in the amount of RMB3,000 million, which will be valid for two years from the date of the *Notice on Acceptance of the Registration*, and will be jointly underwritten by China CITIC Bank Corporation Limited, China Merchants Bank Co., Ltd., Industrial Bank Co., Ltd., Bank of Ningbo Co., Ltd. and China Everbright Bank Company Limited.



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(RMB)

XIII. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)

5. On 12 March 2025, the Company completed the issuance of corporate bonds (first phase) to professional investors in 2025, and the actual issuance scale was RMB2,300,000,000.00. The bond was issued at the rate of 2.29%, and the term of the bond is 5 years.
6. On 21 March 2025, as approved at the 53rd meeting of the 9th session of Board of Directors of the Company, a cash dividend of RMB0.244 (inclusive of tax) per share shall be distributed based on a total of 2,537,856,127 shares of the Company as at the date of approval for issue of the financial statements, totaling RMB619,236,894.99, with no transfer of capital reserve to equity, and the aforesaid resolution will be submitted to the 2024 General Meeting of Shareholders for approval.
7. As approved at the 32nd meeting of the 9th session of Board of Directors of the Company on 14 July 2023, the 40th meeting of the 9th session of Board of Directors on 25 January 2024, the 45th meeting of the 9th session of Board of Directors on 26 July 2024, the 47th meeting of the 9th session of Board of Directors on 30 August 2024, the First Extraordinary General Meeting of Shareholders in 2023, the First A-Share Shareholders' Meeting and the First H-Share Shareholders' Meeting in 2023, the Third Extraordinary General Meeting of Shareholders in 2024, and the First A-Share Shareholders' Meeting and the First H-Share Shareholders' Meeting in 2024, and upon the consent by China Securities Regulatory Commission with the issue of the *Approval of the Registration of Shenzhen Expressway Corporation Limited for Issuing Shares to Specific Investors* (Zheng Jian Xu Ke No. 1748 [2024]) on 5 December 2024, the application for registration on the issuance of A shares to no more than 35 eligible specific investors, including Xin Tong Chan Development (Shenzhen) Company Limited, a wholly-owned subsidiary of Shenzhen International, the controlling shareholder of the Company, was approved. The Company finally issued 357,085,801 A shares with a par value of RMB1.00 per share at an issue price of RMB13.17 per share to specific investors, raising RMB4,703 million in total. As of the date of approval for issue of the financial statements, the amount raised has been received, the capital verification procedures have been completed, and the registration and custody procedures are currently in progress.

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 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 2024

RMB

Item	Toll road	Environmental protection	Others	Unallocated	Total
Revenue from external customers	5,053,338,436.13	1,409,037,680.12	2,783,315,371.02	–	9,245,691,487.27
Cost of services	2,613,870,354.46	1,223,216,827.79	2,487,311,732.34	–	6,324,398,914.59
Interest income	45,923,319.20	1,042,972.43	14,765,127.86	13,082,490.89	74,813,910.38
Interest expenses	89,850,419.31	180,965,455.24	789,000,678.46	–	1,059,816,553.01
Income from investment in associates and joint ventures	491,961,714.41	124,004,791.74	235,170,003.54	–	851,136,509.69
Credit impairment gains (losses)	–	(209,087,983.52)	9,315,694.44	–	(199,772,289.08)
Gains (losses) on impairment of assets	–	(333,760,347.49)	(50,513,916.31)	–	(384,274,263.80)
Gains (losses) on disposal of assets	638,358.16	13,405.51	8,186,253.09	(8,303.98)	8,829,712.78
Depreciation and amortization expenses	1,649,616,278.58	491,733,355.67	93,293,906.36	75,751,026.55	2,310,394,567.16
Total profit (total loss)	2,474,655,726.80	(580,003,780.05)	165,840,128.55	(302,065,663.01)	1,758,426,412.29
Income tax expenses	541,303,231.33	49,867,680.05	(50,957,435.12)	–	540,213,476.26
Net profit (net loss)	1,933,352,495.47	(629,871,460.10)	216,797,563.67	(302,065,663.01)	1,218,212,936.03
Total assets	37,740,086,289.28	18,183,692,898.41	9,654,981,733.98	1,979,270,026.91	67,558,030,948.58
Total liabilities	26,975,852,701.39	8,321,488,156.72	2,446,501,107.36	2,612,618,273.72	40,356,460,239.19
Long-term equity investments in associates and joint ventures	10,843,363,590.78	5,215,802,222.20	3,696,217,404.24	–	19,755,383,217.22
Amount of non-current assets (exclusive of financial assets, long-term equity investments, and deferred tax assets)	11,930,858,032.17	8,757,453,975.30	13,275,214,394.08	1,893,968,284.39	35,857,494,685.94



NOTES TO FINANCIAL STATEMENTS

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(RMB)

XIV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segment (Continued)

2023

RMB

Item	Toll road	Environmental protection	Others	Unallocated	Total
Revenue from external customers	5,374,901,239.20	1,618,254,610.60	2,302,148,521.89	–	9,295,304,371.69
Cost of services	2,666,988,877.55	1,255,448,544.17	2,026,946,321.66	–	5,949,383,743.38
Interest income	30,380,622.49	4,238,890.77	10,103,834.11	25,937,620.64	70,660,968.01
Interest expenses	74,388,701.60	200,460,038.11	954,419,149.52	–	1,229,267,889.23
Income from investment in associates and joint ventures	452,741,232.25	172,715,035.83	852,311,475.26	–	1,477,767,743.34
Credit impairment gains (losses)	(3,268,621.44)	(97,487,638.21)	548,588.76	–	(100,207,670.89)
Gains (losses) on impairment of assets	–	(132,231,841.52)	6,000.00	–	(132,225,841.52)
Gains (losses) on disposal of assets	12,424,838.76	350,805.40	455,420.99	423,290.24	13,654,355.39
Depreciation and amortization expenses	1,741,795,402.13	445,453,420.64	96,288,026.00	79,116,361.58	2,362,653,210.35
Total profit (loss)	2,741,097,771.91	(30,458,880.71)	515,881,269.82	(310,886,534.10)	2,915,633,626.92
Income tax expenses	598,865,978.45	(12,642,731.99)	(56,420,658.54)	–	529,802,587.92
Net profit (loss)	2,142,231,793.46	(17,816,148.72)	572,301,928.36	(310,886,534.10)	2,385,831,039.00
Total assets	37,677,227,979.71	19,157,356,220.82	8,670,212,371.40	2,002,672,518.84	67,507,469,090.77
Total liabilities	28,134,704,961.20	8,570,950,108.43	2,532,646,937.46	270,485,098.56	39,508,787,105.65
Long-term equity investments in associates and joint ventures	10,778,024,996.12	5,190,564,268.17	2,747,232,856.45	–	18,715,822,120.74
Amount of non-current assets (exclusive of financial assets, long-term equity investments, and deferred tax assets)	20,144,356,901.01	9,473,070,114.72	7,059,076,016.76	1,661,919,303.17	38,338,422,335.66

(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

	31 December 2024	31 December 2023
Aging		
Within 1 year	30,538,642.65	69,093,426.74
1 to 2 years	39,901,940.57	–
Over 3 years	4,838,866.44	4,838,866.44
Total	75,279,449.66	73,932,293.18

(2) Accounts receivable disclosed by method of bad debt provision

RMB

Category	31 December 2024					31 December 2023				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on a portfolio basis according to credit risk characteristics										
Portfolio I	65,672,136.17	87.24	–	–	65,672,136.17	51,377,582.42	69.49	–	–	51,377,582.42
Portfolio IV	9,607,313.49	12.76	–	–	9,607,313.49	22,554,710.76	30.51	–	–	22,554,710.76
Total	75,279,449.66	100.00	–	–	75,279,449.66	73,932,293.18	100.00	–	–	73,932,293.18



NOTES TO FINANCIAL STATEMENTS

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(RMB)

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3) Top five accounts receivable and contract assets categorized by debtor

RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Total of top five accounts receivable and contract assets as at 31 December 2024	60,833,269.73	104,278,987.54	165,112,257.27	87.43	–

2. Other receivables

2.1 Presentation of other receivables

RMB

Item	31 December 2024	31 December 2023
Dividends receivable	431,020,860.00	703,407,059.90
Other receivables	3,362,777,219.56	2,621,381,133.37
Total	3,793,798,079.56	3,324,788,193.27

2.2 Dividends receivable

(1) Dividends receivable

RMB

Investee	31 December 2024	31 December 2023
Outer Ring Company	265,000,000.00	–
Mei Wah Company	106,020,860.00	450,000,000.00
Meiguan Company	60,000,000.00	–
Yichang Company	–	253,407,059.90
Total	431,020,860.00	703,407,059.90

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Dividends receivable (Continued)

(2) Significant dividends receivable aged over one year

RMB

Item (or investee)	Closing balance	Aging	Reason for failure in recovery	Impaired or not and the basis for determination
Mei Wah Company	106,020,860.00	Over 3 years	The Group's integrated management of capital	No. They are dividends receivable from wholly-owned subsidiaries, which are recoverable

2.3 Other receivables

(1) Other receivables disclosed by aging

RMB

	31 December 2024	31 December 2023
Aging		
Within 1 year	1,251,474,812.53	2,003,720,634.00
1 to 2 years	1,497,641,000.63	251,393,771.10
2 to 3 years	249,755,229.79	93,741,580.24
Over 3 years	363,906,176.61	272,525,148.03
Sub-total	3,362,777,219.56	2,621,381,133.37
Less: Bad debt provision of other receivables	—	—
Total	3,362,777,219.56	2,621,381,133.37

(2) Other receivables analyzed by nature

RMB

	31 December 2024	31 December 2023
Nature		
Receivables from subsidiaries for financial assistance	3,227,067,757.29	2,548,110,193.91
Advances receivable	127,698,608.59	72,480,388.29
Others	8,010,853.68	790,551.17
Total	3,362,777,219.56	2,621,381,133.37



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.3 Other receivables (Continued)

(3) Top five other receivables categorized by debtor

RMB

Name of entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Customer I	1,257,983,989.90	37.41	Advances receivable, borrowings receivable	Within 1 year, 1 to 2 years	–
Customer II	842,217,021.56	25.05	Borrowings receivable	Within 1 year	–
Customer III	448,213,329.97	13.33	Advances receivable, borrowings receivable	Within 1 year, 1 to 2 years	–
Customer IV	352,167,799.89	10.47	Borrowings receivable	Within 1 year, over 3 years	–
Customer V	245,000,000.00	7.29	Borrowings receivable	2 to 3 years	–
Total	3,145,582,141.32	93.55			–

3. Long-term equity investments

RMB

Investee	1 January 2024	Changes in the year							31 December 2024	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		
Associates and joint ventures:										
Yangmao Company	836,776,215.81	-	-	46,937,957.71	-	-	(43,110,872.00)	-	-	840,603,301.52
E Fund – Shenzhen Expressway REITs (code: 508033)	-	819,000,000.00	-	24,767,862.55	-	-	(93,108,000.00)	-	-	750,659,862.55
United Land Company	648,066,041.67	-	-	84,681,584.86	-	-	-	-	-	732,747,626.53
Nanjing Third Bridge Company	454,338,007.63	-	-	53,424,117.42	-	-	(42,928,232.82)	-	-	464,833,892.23
GZ W2 Company	334,376,765.77	-	-	58,951,590.03	-	-	(22,025,400.00)	-	-	371,302,955.80
Shengchuang Fund	112,339,511.24	-	-	(12,820,574.64)	-	-	-	-	-	99,518,936.60
Others	1,568,724,230.60	-	-	102,170,350.41	18,776,448.80	-	(21,300,000.00)	-	5,034,032.55	1,673,405,062.36
Sub-total	3,954,620,772.72	819,000,000.00	-	358,112,888.34	18,776,448.80	-	(22,472,504.82)	-	5,034,032.55	4,933,071,637.59

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

Investee	Changes in the year									31 December 2024	Closing balance of provision for impairment
	1 January 2024	Addition	Reduction	Investment gains or	Adjustment to other	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others		
				losses recognized under the equity method	comprehensive income						
Investment in subsidiaries:											
Mei Wah Company	831,769,303.26	9,428,576,231.96	-	-	-	-	-	-	-	10,260,345,535.22	-
Outer Ring Company	6,500,000,000.00	-	-	-	-	-	-	-	-	6,500,000,000.00	-
Environment Company	5,650,000,000.00	-	-	-	-	-	-	-	-	5,650,000,000.00	-
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	-
Qingjian Company	1,197,780,894.60	-	(125,112,003.60)	-	-	-	-	-	-	1,072,668,891.00	678,765,149.21
Expressway Investment	800,000,000.00	200,000,000.00	-	-	-	-	-	-	-	1,000,000,000.00	-
Financial Leasing Company	678,193,419.87	-	-	-	-	-	-	-	-	678,193,419.87	-
Meiguan Company	521,260,142.34	-	-	-	-	-	-	-	-	521,260,142.34	-
Infrastructure Environment Protection Development Company	255,000,000.00	78,193,501.75	-	-	-	-	-	(96,229,424.09)	-	236,964,077.66	96,229,424.09
Guangming Environmental Technology	200,000,000.00	-	-	-	-	-	-	-	-	200,000,000.00	-
Longda Company	103,816,567.61	-	-	-	-	-	-	-	-	103,816,567.61	-
Qinglong Company	101,477,197.16	-	-	-	-	-	-	-	-	101,477,197.16	-
Operation Development Company	33,325,000.01	-	-	-	-	-	-	-	-	33,325,000.01	-
Shenchang Company	33,280,762.94	-	-	-	-	-	-	-	-	33,280,762.94	-
Construction 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	-
Yichang Company	1,270,000,000.00	-	(1,270,000,000.00)	-	-	-	-	-	-	-	-
Sub-total	22,172,923,595.94	9,709,069,733.71	(1,395,112,003.60)	-	-	-	-	(96,229,424.09)	-	30,390,651,901.96	774,994,573.30
Total	26,127,544,368.66	10,528,069,733.71	(1,395,112,003.60)	358,112,888.34	18,776,448.80	-	(222,472,504.82)	(96,229,424.09)	5,034,032.55	35,323,723,539.55	774,994,573.30

Note: The detailed information about investment in associates and joint ventures is set out in Note V, 13.



NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

(RMB)

XV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Operating income and cost of services

RMB

Item	2024		2023	
	Income	Cost	Income	Cost
Main businesses	1,217,027,691.41	397,154,787.54	1,226,069,369.37	408,336,676.11
Other businesses	955,182,683.39	861,314,169.95	545,602,180.89	484,377,997.04
Total	2,172,210,374.80	1,258,468,957.49	1,771,671,550.26	892,714,673.15

5. Investment income

RMB

Item	2024	2023
Income from long-term equity investments under the cost method	898,649,400.47	1,846,116,593.31
Income from long-term equity investments under the equity method	358,112,888.34	909,712,848.03
Investment income from disposal of equity	127,449,491.52	—
Investment income from other non-current financial assets	18,610,822.02	9,534,362.82
Others	1,787,671.23	7,767,123.31
Total	1,404,610,273.58	2,773,130,927.47

6. Impairment gains (losses) of assets

RMB

Item	2024	2023
Impairment losses of long-term equity investments	(96,229,424.09)	—
Total	(96,229,424.09)	—

SUPPLEMENTARY INFORMATION

For the year ended 31 December 2024

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS FOR THE CURRENT PERIOD

RMB

Item	Amount
Profit or loss on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	157,756,606.01
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)	5,803,873.49
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	2,641,777.05
Other non-operating income or expenses other than the above	(36,453,911.85)
Less: Tax effects	55,879,463.02
Effects attributable to minority interests	2,841,555.74
Total	71,027,325.94

Basis for preparation of the breakdown of non-recurring profit or loss

According to *Explanatory Announcement on Information Disclosure by Companies Making Public Offering of Securities No. 1 – Non-Recurring Profit or Loss (Revised in 2023)* issued by China Securities Regulatory Commission, non-recurring profit or loss arises from transactions or events that are not directly related to the normal business operations, or transactions or events that are related to normal business operations but are so extraordinary that would have an impact on users of the financial statements when making proper judgments on the performance and profitability of the Company.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

The return on net assets and earnings per share have been prepared by Shenzhen Expressway Corporation Limited in accordance with the *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share* (revised in 2010) issued by China Securities Regulatory Commission.

RMB

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	5.31	0.441	0.441
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	4.93	0.409	0.409

COMPANY INFORMATION

I. Company Profile

Registered name	深圳高速公路集团股份有限公司
Chinese abbreviation	深高速
English name	Shenzhen Expressway Corporation Limited
English abbreviation	SZEW
Legal representative	XU En Li

II. Contact Information

	Secretary of the Board	Joint company secretary	Securities officer
Name	ZHAO Gui Ping	ZHAO Gui Ping, LAM Yuen Ling Eva	GONG Xin, XIAO Wei
Contact address	46/F, Hanking Centre, 9968 Shennan Avenue, Nanshan District, Shenzhen		
Telephone	(86) 755-8669 8069; (86) 755-8669 8065		
Fax	(86) 755-8669 8002		
E-mail	secretary@sz-expressway.com		

III. General Information

Registered address	Fumin Toll Station, Fucheng Street, Longhua District, Shenzhen (Postal Code: 518110)
Place of business	46/F, Hanking Centre, No. 9968 Shennan Avenue, Nanshan District, Shenzhen (Postal Code: 518057)
Website	http://www.sz-expressway.com H-share market website of the Company: https://expressway.aconnect.com.hk
E-mail	ir@sz-expressway.com
Principal place of business in Hong Kong	Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong Tel: (852) 2543 0633 Fax: (852) 2543 9996

IV. Information Disclosure and Site for Inspection

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

V. Security Profile

Type of securities	Listing exchange	Abbreviation	Security code
A Share	The Shanghai Stock Exchange	Shenzhen Expressway	600548
H Share	The Stock Exchange of Hong Kong Limited	Shenzhen Expressway	00548
Bond	The Stock Exchange of Hong Kong Limited	SZEXP B2607	40752
Bond	The Shanghai Stock Exchange	21 Shenzhen Expressway 01	188451
Bond	The Shanghai Stock Exchange	22 Shenzhen Expressway 01	185300
Bond	The Shanghai Stock Exchange	G23 Shenzhen Expressway 1	240067
Bond	The Shanghai Stock Exchange	24 Shenzhen Expressway 01	241018
Bond	The Shanghai Stock Exchange	24 Shenzhen Expressway 02	241019
Bond	The Shanghai Stock Exchange	24 Shenzhen Expressway 03	242050
Bond	The Shanghai Stock Exchange	25 Shenzhen Expressway 01	242539

COMPANY INFORMATION

VI. Other Information

Auditor	Deloitte & Hua Yong LLP 30/F Bund Centre, No.222 Yan An Road East, Huang Pu District, Shanghai Signatory accountants: HUANG Tianyi, LIU Chan
PRC legal adviser	Shanghai AllBright (Shenzhen) Law Firm 21-23/F, Tower 1, Excellence Century Centre Fu Hua 3 Road, Futian District, Shenzhen, Guangdong Province
Hong Kong legal adviser	Loong & Yeung, Solicitors Room 1603, 16/F, China Building, 29 Queen's Road Central, Hong Kong
Domestic share registrar and transfer office	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 South Yanggao Road, Pudong New District, Shanghai
Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong
Investor relations consultant of A Shares	Beijing JZHT Finance Securities Service Co., Ltd. Rm3601-3607, 36/F, Life Insurance Building, 1001 Fuzhong Road, Futian District, Shenzhen
Investor relations consultant of H Shares	Ever Bloom (HK) Communications Consultants Group Limited 10/F, 80 Gloucester Road, Wanchai, Hong Kong
Principal banks	Industrial and Commercial Bank of China, Bank of China, China Merchants Bank, The Export-Import Bank of China, etc.

VII. Project Information (as at 31 December 2024)

Toll highway	Interest held by the Company	Location	Toll mileage (km)	No. of lanes	Status
Meiguan Expressway	100%	Shenzhen	5.4	8	Under operation
Jihe East	100%	Shenzhen	23.7	6	Under operation
Jihe West	100%	Shenzhen	21.8	6	Under operation
Shuiguan Expressway	50%	Shenzhen	20.0	10	Under operation
Shuiguan Extension	40%	Shenzhen	6.3	6	Under operation
Coastal Project ⁽¹⁾	100%	Shenzhen	36.6	8	Under operation
Outer Ring Project ⁽²⁾	100%	Shenzhen	76.8	6	Outer Ring Phase I&II: under operation Outer Ring Phase III: under construction
Longda Expressway	89.93%	Shenzhen	4.426	6	Under operation
Yangmao Expressway	25%	Guangdong	79.8	8	Under operation
GZ W2 Expressway	25%	Guangdong	40.2	6	Under operation
Qinglian Expressway	76.37%	Guangdong	216.0	4	Under operation
Yichang Project	40%	Hunan	78.3	4	Under operation
Changsha Ring Road	51%	Hunan	34.7	4	Under operation
Nanjing Third Bridge	35%	Jiangsu	15.6	6	Under operation
GZ West Expressway	50%	Guangzhou, Foshan, Zhongshan	98	6	Under operation
GS Expressway	45%	Shenzhen, Dongguan, Guangzhou	122.8	6	Under operation

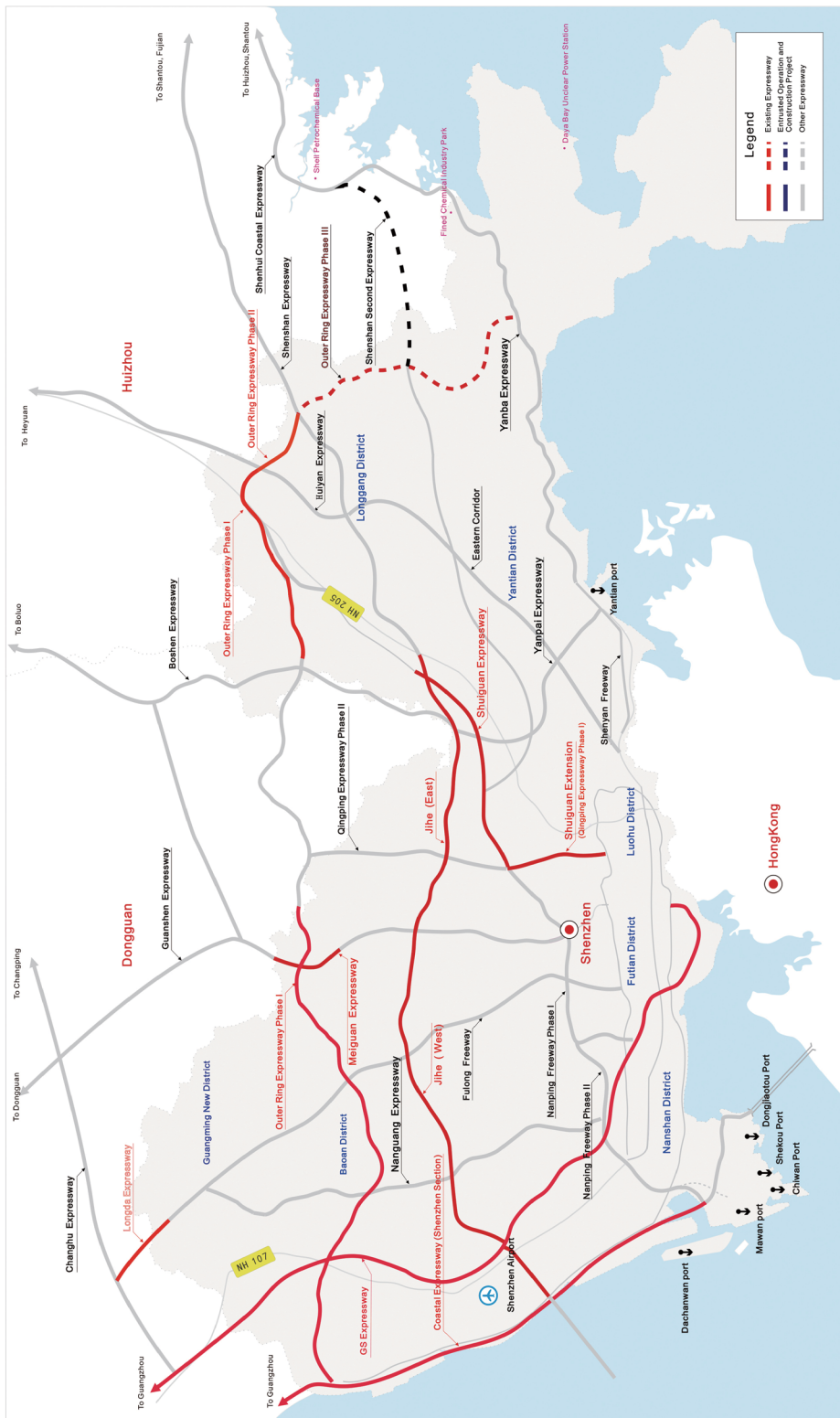
Note:

- (1) Coastal Phase II was opened to traffic on 30 June 2024.
- (2) As approved by the Board, during the Reporting Period, the Company has commenced the investment and construction of approximately 16.8 km of Outer Ring Phase III (Kengzi to Dapeng Section). For details, please refer to the announcement of the Company dated 14 July 2023.
- (3) For detailed information of above projects, and road network of peripheral area of the above projects, please refer to the website of the Company at <http://www.sz-expressway.com>.



COMPANY INFORMATION

Road Network of Shenzhen



Road Network of Pearl River Delta



COMPANY INFORMATION

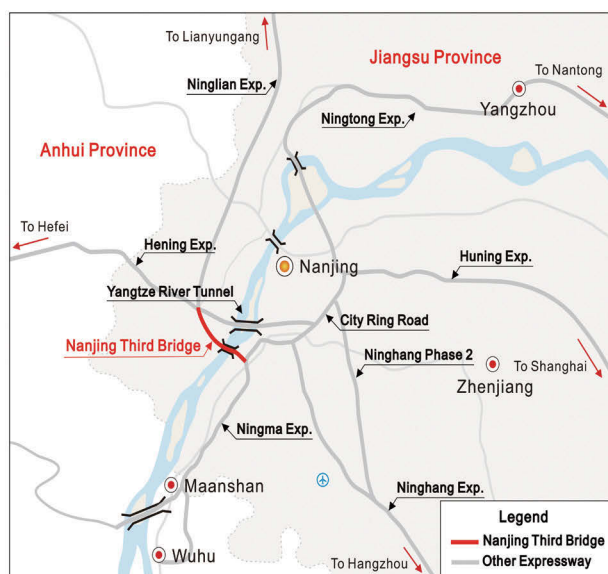
Road Network of Qinglian Expressway



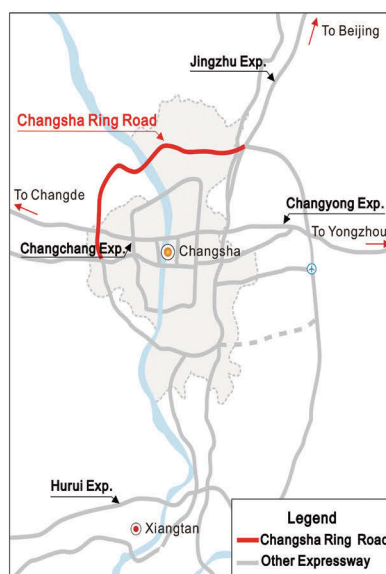
Road Network of Yichang Expressway



Road Network of Nanjing Third Bridge



Road Network of Changsha Ring Road



- ◆ *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.*



深圳高速公路集团股份有限公司
SHENZHEN EXPRESSWAY CORPORATION LIMITED

www.sz-expressway.com