

*Empowering with  
Intelligent technology, and  
Rebuilding value*



**2025**  
ANNUAL REPORT

*Empowering with  
Intelligent technology, and  
Rebuilding value*



# ANNUAL REPORT

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Guilin's landscape is unmatched anywhere in the world. The cover image shows the Guisan Expressway (135 km mainline) winding through an ink-wash painting-like landscape. As a key section of the Xiamen-Chengdu Expressway (G76), it is one of the primary routes connecting Sichuan, Chongqing, Yunnan and Guizhou regions to the Pearl River Delta. In 2025, an acquisition of 51% equity stake in Guisan Expressway was completed through a joint venture investment platform of the Company, expanding its core expressway business and linking places amidst breathtaking scenery.

## Definitions

Articles of Association	articles of association of the Company
Associate	has the meaning ascribed to it under the Listing Rules
A Shares	ordinary share(s) as issued in the PRC, listed on the PRC domestic stock exchange, denominated, subscribed for and traded in Rmb with a nominal value of Rmb1.00 each
Audit Committee	the audit committee of the Company
Board	the board of directors of the Company
China Merchants Expressway	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司), a joint stock limited company established in the PRC on December 18, 1993, whose shares are listed on the Shenzhen Stock Exchange
Commercial Group	Zhejiang Commercial Group Co., Ltd. (浙江省商業集團有限公司), a wholly-owned subsidiary of Communications Group
Communications Group	Zhejiang Communications Investment Group Co., Ltd. (浙江省交通投資集團有限公司), a state-controlled enterprise established in the PRC, on December 29, 2001 and the Controlling Shareholder of the Company
Company or Zhejiang Expressway	Zhejiang Expressway Co., Ltd., a joint stock limited company incorporated in the PRC on March 1, 1997
Connected Person	has the meaning ascribed to it under the Listing Rules
Controlling Shareholder	has the meaning ascribed to it under the Listing Rules
De'an Co	Deqing County De'an Highway Construction Co., Ltd. (德清縣德安公路建設有限責任公司), an 80.1% owned subsidiary of the Company, established with Zhejiang Hongtu for PPP Project in Deqing County
Directors	the directors of the Company
GDP	gross domestic product
Group	the Company and its subsidiaries
Guisan Co	Guangxi Guisan Expressway Co., Ltd. (廣西桂三高速公路有限公司), a limited liability company established in the PRC on October 24, 2007
Guodu Securities	Guodu Securities Co., Ltd. (國都證券股份有限公司), a 34.7692% owned subsidiary of Zhesang Securities
H Shares	the overseas listed foreign shares of Rmb1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars since May 15, 1997
Hanghui Co	Zhejiang Hanghui Expressway Co., Ltd. (浙江杭徽高速公路有限公司), a 51% owned subsidiary of the Company
HangNing Co	Zhejiang HangNing Expressway Co., Ltd. (浙江杭寧高速公路有限責任公司), a 30% owned associate of the Company
Hangrao Co	Deqing Hangrao Expressway Co., Ltd. (德清縣杭繞高速有限公司), a non-wholly owned subsidiary of Communications Group
HangShaoYong Co	Zhejiang HangShaoYong Expressway Co., Ltd. (浙江杭紹甬高速公路有限公司), a non-wholly owned subsidiary of Communications Group
Hangxuan Co	Zhejiang Hangxuan Expressway Co., Ltd. (浙江杭宣高速公路有限公司), a wholly-owned subsidiary of Communications Group
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Huihang Co	Huangshan Yangtze Huihang Expressway Co., Ltd. (黃山長江徽杭高速公路有限責任公司), a wholly-owned subsidiary of the Company
independent third party(ies)	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Group and its Connected Persons in accordance with the Listing Rules
Jiaogong Group	Zhejiang Communications Construction Group Co., Ltd. (浙江交工集團股份有限公司), an indirect non-wholly owned subsidiary of Communications Group

Jiaogong Jinzhu	Zhejiang Jiaogong Jinzhu Communications Construction Co., Ltd. (浙江交工金築交通建設有限公司), an indirect non-wholly owned subsidiary of Communications Group
Jiaogong Luqiao	Zhejiang Jiaogong Road & Bridge Construction Co., Ltd. (浙江交工路橋建設有限公司), an indirect non-wholly owned subsidiary of Communications Group
Jiaogong Maintenance	Zhejiang Jiaogong High-grade Expressway Maintenance Co., Ltd. (浙江交工高等級公路養護有限公司), an indirect non-wholly owned subsidiary of Communications Group
Jiaogong Underground Construction	Zhejiang Jiaogong Underground Construction Co., Ltd. (浙江交工地下工程有限公司), an indirect non-wholly owned subsidiary of Communications Group
Jiaxiao Co	Jiaxing Jiaxiao Expressway Investment Development Co., Ltd. (嘉興市嘉蕭高速公路投資開發有限公司), a 70% owned subsidiary of Communications Group
Jiaxing Branch	Jiaxing Branch of LongLiLiLong Co
Jindong Branch	Jindong Branch of Jinhua Co, which is the construction command center for the reconstruction and expansion project of the Ningbo-to-Jinhua section (Jinhua section) of Ningbo-Jinhua Expressway
Jinhua Co	Zhejiang Jinhua Yongjin Expressway Co., Ltd. (浙江金華甬金高速公路有限公司), a wholly-owned subsidiary of the Company
Linping Co	Zhejiang Linping Expressway Co., Ltd. (浙江臨平高速公路有限責任公司), formerly known as "Zhejiang Yuhang Expressway Co., Ltd." (浙江余杭高速公路有限責任公司), a 51% owned subsidiary of the Company
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
LongLiLiLong Co	Zhejiang LongLiLiLong Expressway Co., Ltd. (浙江龍麗麗龍高速公路有限公司), a wholly-owned subsidiary of the Company
Maintenance Co	Zhejiang Expressway Maintenance Co., Ltd. (浙江滬杭甬養護工程有限公司), an indirect non-wholly owned subsidiary of Communications Group
Ningbo Communications Development	Ningbo Communications Development Co., Ltd. (寧波交通發展有限公司), a wholly state-owned company established in the PRC
Ningbo Yongtaiwen Co	Zhejiang Ningbo Yongtaiwen Expressway Co., Ltd. (浙江寧波甬台溫高速公路有限公司), a non-wholly owned subsidiary of Communications Group
Ningbo Zhoushan Port	Ningbo Zhoushan Port Group Co., Ltd. (寧波舟山港集團有限公司), a state-controlled company established in the PRC
North Channel Co	Zhejiang Zhoushan North Channel Co., Ltd. (浙江舟山北向大通道有限公司), a 60% owned subsidiary of Communications Group
Oceanking Development	Zhejiang Oceanking Development Co., Ltd. (浙江鎮洋發展股份有限公司), whose shares are listed and traded on the Main Board of the Shanghai Stock Exchange (stock code: 603213.SH), a non-wholly owned subsidiary of Communications Group
Period	the period from January 1, 2025 to December 31, 2025
PRC	the People's Republic of China
Quzhou Branch	Quzhou Branch of LongLiLiLong Co
Rmb	Renminbi, the lawful currency of the PRC
Santongdao South Connection Co	Hangzhou Santongdao South Connection Engineering Co., Ltd. (杭州三通道南接線工程有限公司), a non-wholly owned subsidiary of Communications Group
Sci. & Edu. Group	Zhejiang Communications Investment Sci. & Edu. Group Co., Ltd. (浙江交投科教集團有限公司), formerly known as "Zhejiang Transportation Investment Talent Development Group Co., Ltd." (浙江交投人才發展集團有限公司), a wholly-owned subsidiary of Communications Group
SFO	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)

## Definitions

Shangsan Co	Zhejiang Shangsan Expressway Co., Ltd. (浙江上三高速公路有限公司), a limited liability company established in the PRC on January 1, 1998 which is owned as to 61.25% by the Company and 18.375% by China Merchants Expressway, respectively
Shangyu Transportation	Shaoxing City Shangyu District Transportation Group Investment Co., Ltd. (紹興市上虞區交通投資有限公司), a company established in the PRC and a shareholder of Shangsan Co
Shaoxing Communications	Shaoxing Communications Investment Group Co., Ltd. (紹興市交通投資集團有限公司), a company incorporated in the PRC with limited liability
Shareholders	the shareholders of the Company
Shenhai Co	Zhejiang Taizhou Shenhai Expressway Co., Ltd. (浙江台州沈海高速公路有限公司), a 75% owned subsidiary of Communications Group
Shengxin Co	Zhejiang Shaoxing Shengxin Expressway Co., Ltd. (浙江紹興嵊新高速公路有限公司), a 50% owned joint venture of the Company
Shenjiahuhang Co	Zhejiang Shenjiahuhang Expressway Co., Ltd. (浙江申嘉湖杭高速公路有限公司), an associate company indirectly owned by the Company through its subscribing 20% of the subordinated class of the CICC-Zhejiang Expressway-Shenjiahuhang asset-backed special program (phase II)
Shensuzhewan Branch	Zhejiang Communications Investment Group Co., Ltd., Shensuzhewan Branch (浙江省交通投資集團有限公司申蘇浙皖分公司), a branch of Communications Group
SRCB	Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司), a 4.96% owned associate of the Company
Tiantai State Capital	Tiantai State Capital Operation Co., Ltd. (天台縣國有資本運營有限公司), a wholly state-owned company established in the PRC and a shareholder of Shangsan Co
Wenzhou YongTaiWen Co	Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd. (浙江溫州甬台溫高速公路有限公司), a 15% owned associate of the Company
Yangtze Financial Leasing	Yangtze United Financial Leasing Co., Ltd. (長江聯合金融租賃有限公司), a 10.61% owned associate of the Company
Yonglan Co	Hunan Yonglan Expressway Co., Ltd. (湖南永藍高速公路有限公司), a limited liability company established in the PRC on January 19, 2006
Zhajiasu Co	Jiaxing Zhajiasu Expressway Co., Ltd., a 55% owned subsidiary of the Company
Zhejiang Communications Finance	Zhejiang Communications Investment Group Finance Co., Ltd. (浙江省交通投資集團財務有限責任公司), a 20.08% owned associate of the Company
Zhejiang Communications Investment Carbon	Zhejiang Communications Investment Carbon Environmental Technology Co., Ltd. (浙江交投中碳環境科技有限公司), an indirect wholly-owned subsidiary of Communications Group
Zhejiang Communications Resources	Zhejiang Communications Resources Investment Group Co., Ltd. (浙江交通資源投資集團有限公司), a wholly-owned subsidiary of Communications Group
Zhejiang Expressway Trading	Zhejiang Expressway Trading Management Co., Ltd. (浙江高速商貿經營管理有限公司), an indirect wholly-owned subsidiary of Communications Group
Zhejiang Grand Hotel	Zhejiang Grand Hotel Limited (浙江大酒店有限公司), a wholly-owned subsidiary of the Company
Zhejiang HNPL Co	Zhejiang Hangzhou-Ningbo Parallel Line Ningbo Phase I Expressway Co., Ltd. (浙江杭甬複線寧波一期高速公路有限公司), a non-wholly owned subsidiary of Communications Group
Zhejiang Hongtu	Zhejiang Hongtu Transportation Construction Company (浙江交工宏途交通建設有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zhejiang Information	Zhejiang High-speed Information Engineering Technology Ltd. (浙江高信技術股份有限公司), formerly known as "Zhejiang Expressway Information Engineering Technology Co., Ltd." (浙江高速信息工程技術有限公司), a company incorporated in the PRC and a 65.85% owned subsidiary of Communications Group

Zhejiang International Hong Kong	Zhejiang Expressway International (Hong Kong) Co., Ltd. (浙江滬杭甬國際(香港)有限公司), a wholly-owned subsidiary of the Company
Zhejiang Jiaoke Supply Chain	Zhejiang Communications Technology Supply Chain Management Co., Ltd. (浙江交科供應鏈管理有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zhejiang Jiaotou Human Resources	Zhejiang Jiaotou Human Resources Service Co., Ltd. (浙江交投人力資源服務有限公司), indirectly owned as to 45% by Communications Group, being a 30%-controlled company of Communications Group
Zhejiang Shunchang	Zhejiang Shunchang High-grade Expressway Maintenance Co., Ltd. (浙江順暢高等級公路養護有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zhejiang Transportation Testing	Zhejiang Transportation Group Testing Technology Co., Ltd. (浙江省交通集團檢測科技有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zhejiang Yingtong Catering	Zhejiang Yingtong Catering Co., Ltd. (浙江盈通餐飲有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zhejiang Zhejiao Testing	Zhejiang Zhejiao Testing Technology Co., Ltd. (浙江浙交檢測技術有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zhejiang Zheqi	Zhejiang Zheqi Industrial Co., Ltd. (浙江浙期實業有限公司), a company established in the PRC, an indirect non-wholly owned subsidiary of the Company
Zheshang Culture	Zhejiang Zheshang Culture Development Co., Ltd. (浙江浙商文化發展有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zheshang Development	Zheshang Development Group Co., Ltd. (浙商中拓集團股份有限公司), a joint stock limited company established in the PRC and a non-wholly owned subsidiary of Communications Group
Zheshang FoF	Zhejiang Zheshang Transform and Upgrade Fund of Funds Partnership (Limited Partnership), a 24.99% owned associate of the Company
Zheshang Futures	Zheshang Futures Co., Ltd. (浙商期貨有限公司), an indirect non-wholly owned subsidiary of the Company
Zheshang Insurance	Zheshang Property Insurance Co., Ltd. (浙商財產保險股份有限公司), an indirect non-wholly owned subsidiary of Communications Group
Zheshang Jinji Shangcheng Branch	Zhejiang Zheshang Jinji Enterprise Management Co., Ltd. Hangzhou Shangcheng Branch (浙江浙商金基企業管理有限公司杭州上城分公司), Zhejiang Zheshang Jinji Enterprise Management Co., Ltd. is an indirect wholly-owned subsidiary of Communications Group
Zheshang Property	Zhejiang Zheshang Property Service Co., Ltd. (浙江浙商物業服務有限公司), an indirect wholly-owned subsidiary of Communications Group
Zheshang Securities	Zheshang Securities Co., Ltd. (浙商證券股份有限公司), a 46.46% owned subsidiary of the Shangsang Co
Zhijiang Communications Holdings	Zhejiang Zhijiang Communications Holdings Co., Ltd. (浙江之江交通控股有限公司), a joint venture owned as to 50% by the Company and China Merchants Expressway, respectively
Zhijiang Intelligent Communications	Zhejiang Zhijiang Intelligent Communications Technology Co., Ltd. (浙江之江智能交通科技有限公司), a wholly-owned subsidiary of the Company
Zhoushan Co	Zhejiang Zhoushan Bay Bridge Co., Ltd. (浙江舟山跨海大橋有限公司), a 51% owned subsidiary of the Company
Zhoushan Communications Investment	Zhoushan Communications Investment Group Co., Ltd. (舟山交通投資集團有限公司), a state-controlled company established in the PRC
ZJIC	Zhejiang Institute of Communications Co., Ltd. (浙江數智交院科技股份有限公司), a joint stock limited company established in the PRC and a 55.08% owned subsidiary of Communications Group

## Company Profile

**Zhejiang Expressway** is a listed company principally engaging in investing in, developing and operating of high-grade roads as well as securities business. The Company was incorporated on March 1, 1997 as an infrastructure company of the Zhejiang Provincial Government for investing in, developing and operating expressways and Class 1 roads in Zhejiang Province. The H Shares of the Company were listed on the Hong Kong Stock Exchange on May 15, 1997. The securities business is carried out by its subsidiary Zheshang Securities, which was listed on the Shanghai Stock Exchange (SH Stock Code: 601878) in June 2017.

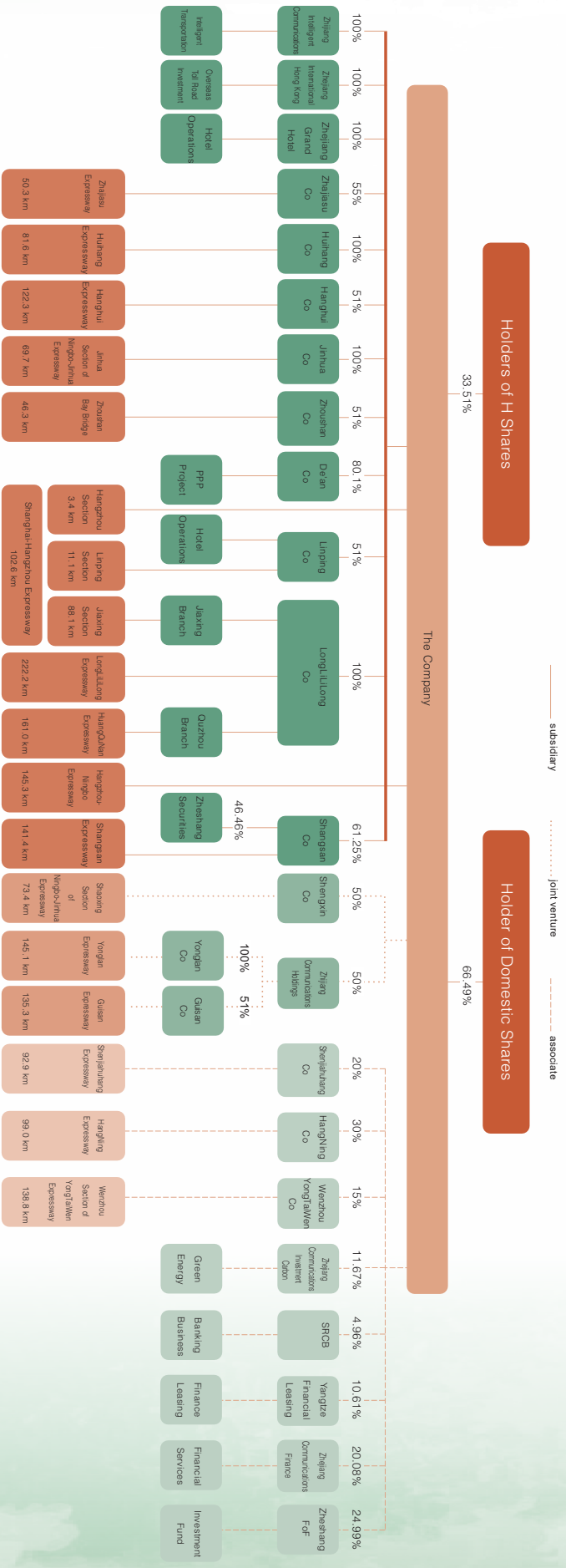
Major assets operated by the Group include nine expressways namely the 248 km Shanghai-Hangzhou-Ningbo Expressway, the 141 km Shangsang Expressway, the 70 km Jinhua section of Ningbo-Jinhua Expressway, the 122 km Hanghui Expressway, the 82 km Huihang Expressway, the 46 km Zhoushan Bay Bridge, the 222 km LongLiLiLong Expressways, the 50km Zhajiasu Expressway and the 161 km HuangQuNan Expressway. Among which, apart from Huihang Expressway which is situated within Anhui Province in the PRC, the rest of the eight expressways are situated within Zhejiang Province in the PRC. As at December 31, 2025, total assets of the Group amounted to Rmb293,412.91 million.

Incorporated on December 29, 2001, Communications Group, the Controlling Shareholder of the Company, is a state-controlled communications company established by the Zhejiang Provincial Government. It mainly operates a diversity of businesses, such as investment, operations, maintenance, toll collection and ancillary services of expressways; construction and building of transportation project, ocean and coastal transport; as well as real estates. On July 11, 2016, Zhejiang Provincial Party Committee and Zhejiang Provincial Government carried out a merger and restructuring of Communications Group and Zhejiang Railroad Investment Group Co., Ltd.. In July 2018, Zhejiang Provincial Party Committee and Zhejiang Provincial Government carried out a merger and restructuring of Communication Group and Zhejiang Commercial Group Co., Ltd.. Upon merger and restructuring, Communications Group will be responsible for the investment and financing, construction, operation and management of transport related fundamental facilities including expressways, railroads, key cross-region mass transit railways and integrated transport hubs.

With a solid foundation built on the Group's expressway business, the Company will expand its main businesses scale, enhance its core competitiveness, and grow its financial and securities business so as to increase its profit contribution to the Group. Looking ahead, the Company will seize sound investment opportunities to acquire new projects, and strive to develop the Company into an international investment holdings company with a primary focus on transportation infrastructure investment and operation.

# Corporate Structure of the Group

Set out below is the corporate and business structure of the Group as at March 31, 2026:

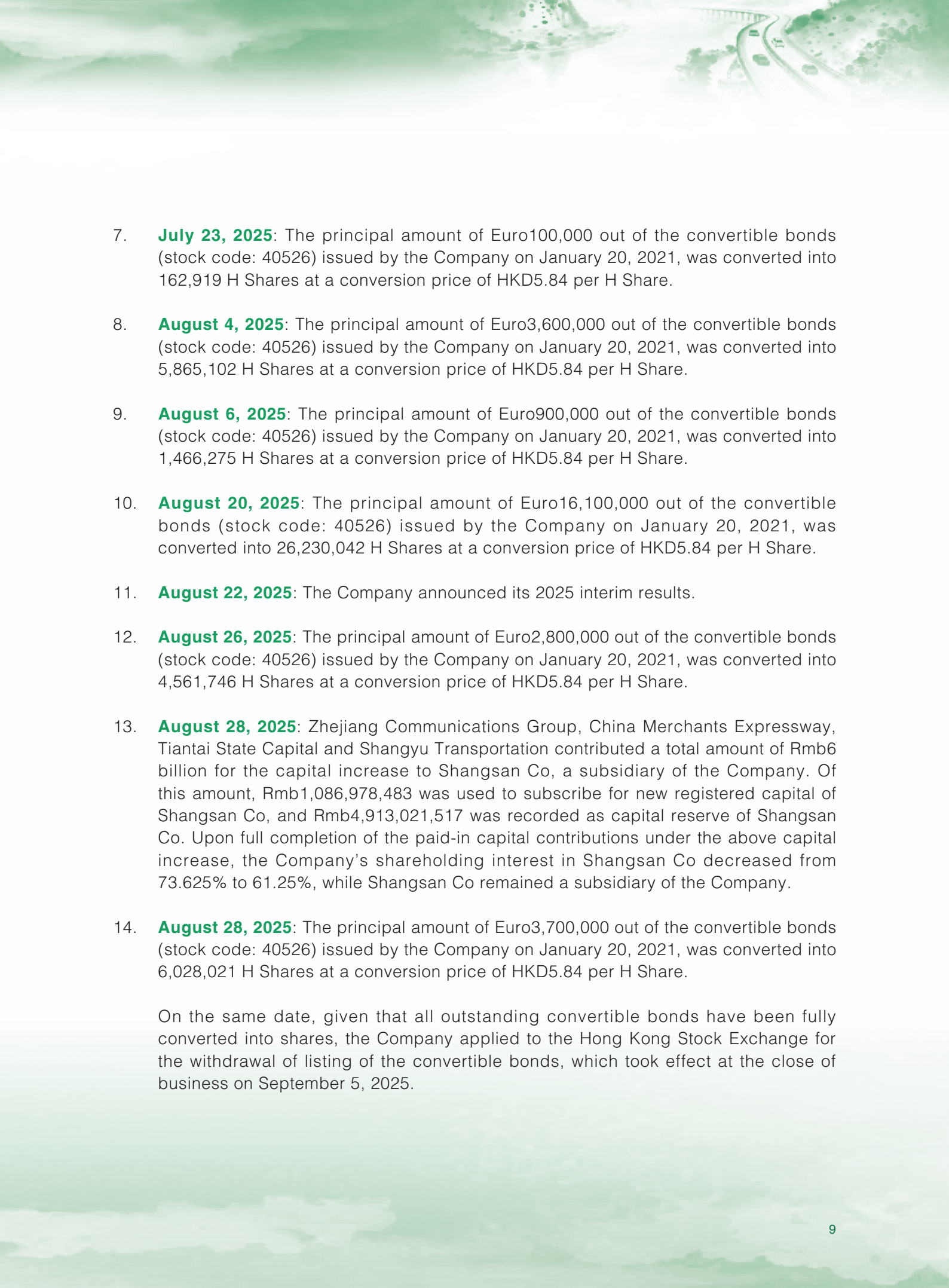


## Review of Major Corporate Events

1. **January 21, 2025:** Zhijiang Communications Holdings, a joint venture of the Company, entered into a capital increase agreement with, among others, Guisan Co, to subscribe for a 51% equity interest in the enlarged registered capital of Guisan Company.
2. **March 24, 2025:** The Company announced its 2024 annual results.
3. **March 28, 2025:** The Company and Ningbo Zhoushan Port entered into a preliminary agreement in respect of the investment and implementation of the construction of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway, with Zhoushan City Bridge Construction Management Center, Ningbo City High-grade Highway Construction Management Center, Zhoushan Communications Investment and Ningbo Communications Development.

On the same date, to establish a project company responsible for the investment, financing, construction, operation and management of the project, the Company, Ningbo Zhoushan Port, Zhoushan Communications Investment and Ningbo Communications Development entered into a shareholders' joint investment agreement.

4. **April 25, 2025:** The Company held its 2024 annual shareholders' meeting, at which it approved resolutions including but not limited to: the distribution of a final dividend of Rmb38.5 cents per share; the re-appointment of Ernst & Young as the Hong Kong auditor of the Company; the re-appointment of RSM China CPA LLP as the PRC auditor of the Company; the upward adjustment of the annual cap for deposit services under the new financial services agreement signed between the Company and Zhejiang Communications Finance to Rmb5 billion; the grant of a general mandate to the Board to issue, allot and deal with additional shares not exceeding 20% of the total number of issued shares of the Company (excluding treasury shares); and the amendment to the Articles of Association to reflect the latest registered capital and issued H Shares resulting from the conversion of the convertible bonds (stock code: 40526) on October 16, 2024.
5. **April 30, 2025:** The Company announced its 2025 first quarterly results.
6. **June 23, 2025:** The Company was awarded the title of 2024 Benchmark Enterprise for Corporate Social Responsibility in Zhejiang Province by the Zhejiang Provincial Corporate Social Responsibility Promotion Association.

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7. **July 23, 2025:** The principal amount of Euro100,000 out of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021, was converted into 162,919 H Shares at a conversion price of HKD5.84 per H Share.
  8. **August 4, 2025:** The principal amount of Euro3,600,000 out of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021, was converted into 5,865,102 H Shares at a conversion price of HKD5.84 per H Share.
  9. **August 6, 2025:** The principal amount of Euro900,000 out of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021, was converted into 1,466,275 H Shares at a conversion price of HKD5.84 per H Share.
  10. **August 20, 2025:** The principal amount of Euro16,100,000 out of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021, was converted into 26,230,042 H Shares at a conversion price of HKD5.84 per H Share.
  11. **August 22, 2025:** The Company announced its 2025 interim results.
  12. **August 26, 2025:** The principal amount of Euro2,800,000 out of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021, was converted into 4,561,746 H Shares at a conversion price of HKD5.84 per H Share.
  13. **August 28, 2025:** Zhejiang Communications Group, China Merchants Expressway, Tiantai State Capital and Shangyu Transportation contributed a total amount of Rmb6 billion for the capital increase to Shangsang Co, a subsidiary of the Company. Of this amount, Rmb1,086,978,483 was used to subscribe for new registered capital of Shangsang Co, and Rmb4,913,021,517 was recorded as capital reserve of Shangsang Co. Upon full completion of the paid-in capital contributions under the above capital increase, the Company's shareholding interest in Shangsang Co decreased from 73.625% to 61.25%, while Shangsang Co remained a subsidiary of the Company.
  14. **August 28, 2025:** The principal amount of Euro3,700,000 out of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021, was converted into 6,028,021 H Shares at a conversion price of HKD5.84 per H Share.

On the same date, given that all outstanding convertible bonds have been fully converted into shares, the Company applied to the Hong Kong Stock Exchange for the withdrawal of listing of the convertible bonds, which took effect at the close of business on September 5, 2025.

## Review of Major Corporate Events

15. **September 2, 2025:** The Company entered into an agreement on absorption and merger through share swap with Oceanking Development. Pursuant to the agreement, the Company will absorb and merge with Oceanking Development by way of issuing A Shares for share swap. Upon completion of this absorption and merger, the Company will achieve listing on both A-share and H-share markets.
16. **September 17, 2025:** The Company held an extraordinary shareholders' meeting, at which it approved the change of the Company's registered capital from Rmb5,993,800,537 to Rmb6,038,114,642, and the corresponding amendment to the Articles of Association to reflect the latest registered capital and issued H Shares resulting from the full conversion of the convertible bonds (stock code: 40526) issued by the Company on January 20, 2021 during the period of 2025.
17. **September 28, 2025:** LongLiLiLong Co, a wholly-owned subsidiary of the Company, signed an entrusted management termination agreement with Zhejiang Communications Investment Expressway Operation Management Co., Ltd., to terminate the entrusted management of the LongLiLiLong Expressways and HuangQuNan Expressway.
18. **October 13, 2025:** The Company was awarded the 2024 Transportation Enterprise Corporate Social Responsibility Excellence Report and ESG Excellence Case by the China Communications and Transportation Enterprise Association.
19. **October 31, 2025:** The Company announced its 2025 third quarterly results.
20. **November 8, 2025:** The Company was granted the Golden Bull Award for Corporate Governance in Golden Bull Award for Listed Companies (H-share) by China Securities Journal.
21. **December 19, 2025:** The Company held an extraordinary shareholders' meeting, at which it approved resolutions including but not limited to: the appointment of Pan-China Certified Public Accountants as the domestic auditor of the Company for 2025 annual audit, and RSM China CPA LLP resigned as the domestic auditor of the Company for 2025 annual audit upon the conclusion of the extraordinary shareholders' meeting; and the amendment to the Articles of Association to reflect the newly added business scope.

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22. **December 31, 2025:** The Board approved the change of use of the remaining net proceeds from the rights issue, whereby approximately Rmb1.5 billion of the net proceeds from the rights issue originally allocated to expenses on reconstruction and expansion projects of existing expressways will be used for daily operating expenses such as replenishment of liquidity and repayment of borrowings.
23. **December 31, 2025:** The Company entered into a capital injection agreement with Zhejiang Communications Investment Carbon and Commercial Group for the injection of Rmb225,999,968.04 to acquire 11.6733% equity interest in the enlarged registered capital of Zhejiang Communications Investment Carbon.
24. **January 30, 2026:** The Company was awarded the “Listed Company with Excellent High-Quality Development” at the 15th China Securities Golden Bauhinia Awards.
25. **March 16, 2026:** Zhejiang Communications Group, China Merchants Expressway, Tiantai State Capital, Shangyu Transportation and the Company entered into a termination agreement to terminate the remaining unpaid capital contributions under the capital increase agreement and its supplemental agreements.
26. **March 20, 2026:** The Company held an extraordinary shareholders’ meeting, at which it approved resolutions including but not limited to: the plan for absorption and merger of Oceanking Development through share swap by the Company; shareholder dividend return plan for the three years following completion of the absorption and merger transaction; the abolishment of the supervisory committee and amendments to the Articles of Association; the formulation of the Articles of Association of the Company and its appendices to be applied upon listing A Shares of the Company; and the grant of a special mandate to the Board for the issuance of additional A Shares. The supervisory committee of the Company was abolished with effect from the date of approval by the extraordinary shareholders’ meeting, and all supervisor positions were automatically terminated.

Note: Pursuant to the Articles of Association effective from March 20, 2026, the original term “shareholders’ general meeting” has uniformly been revised to “shareholders’ meeting”. For the avoidance of doubt and consistency of wording, the description “shareholders’ meeting” is used uniformly throughout this report.

## Particulars of Major Road Projects

Expressway	Percentage of Ownership	Length in Kilometers	Number of Lanes	Number of Toll Stations	Number of Service Areas	Start of Operation	Remaining Years of Operation
Shanghai-Hangzhou Expressway (102.6 km)							
– Jiaxing Section	100%	88.1	8	7	2	1998	3
– Linping Section	51%	11.1	6	1	0	1995–1998	3
– Hangzhou Section	100%	3.4	4	1	0	1995	3
Hangzhou-Ningbo Expressway (145.3 km)							
– Hangzhou to Hongken section	100%	15.7	4	1	0	1992	2
– Hongken to Duantang section	100%	123.4	8	11	2	1995	2
– Duantang to Dazhujia section	100%	6.2	4	1	0	1996	2
Shangsan Expressway	61.25%	141.4	4	11	3	2000	5
Ningbo-Jinhua Expressway							
– Jinhua Section	100%	69.7	4	7	1	2005	5
Hanghui Expressway (122.3 km)							
– Changyu Section	51%	36.7	4	5	1	2004	4
– Changhang Section	51%	85.6	4	8	1	2006	6
Huihang Expressway	100%	81.6	4	4	2	2004	9
Zhoushan Bay Bridge	51%	46.3	4	8	1	2009	9
LongLi Expressway	100%	119.8	4	9	3	2006	6
LiLong Expressway (102.4 km)							
– Liandu Section	100%	22.97	4	2	0	2007	7
– Other Sections	100%	79.47	4	5	1	2006	6
Zhajiasu Expressway	55%	50.28	4	4	1	2002	5
HuangQuNan Expressway (161.0 km)							
– Qunan Section	100%	87.26	4	5	2	2008	8
– Quhuang Section	100%	73.745	4	5	2	2011	10

## CURRENT TOLL RATES ON THE EXPRESSWAYS UNDER THE GROUP

### 1. Passenger vehicle classification and toll rates

Toll for passenger vehicles = Entrance fee + Mileage fee x Actual mileage traveled + Tunnel (bridge) superimposed toll

Class	Classification standard	Toll rates of expressways in Zhejiang Province for passenger vehicles		Toll rates of Huihang Expressway for passenger vehicles
		Mileage fee (Rmb/vehicle/km)	Entrance fee (Rmb/trip)	Mileage fee (Rmb/vehicle/km)
Class 1	≤ 9 seats (with a length less than 6m)	0.40	5	0.45
Class 2	10–19 seats (with a length less than 6m) Passenger car trailer	0.40	5	0.8
Class 3	≤39 seats (with a length no less than 6m)	0.80	10	1.1
Class 4	≥40 seats (with a length no less than 6m)	1.20	15	1.3

Note: For Shanghai-Hangzhou-Ningbo Expressway, the mileage fee for class 1 and class 2 passenger vehicles is Rmb0.45/vehicle/km.

### 2. Truck and special motor vehicle classification and toll rates

Toll for trucks and special motor vehicles = Mileage fee x Actual mileage traveled + Tunnel (bridge) superimposed toll

Class	Classification standard	Toll rates of expressways in Zhejiang Province for trucks and special motor vehicles	Toll rates of Huihang Expressway for trucks and special motor vehicles
		(Rmb/vehicle/km)	(Rmb/vehicle/km)
Class 1	2 axles (with a length less than 6m and maximum authorized total weight less than 4,500kg)	0.45	0.45
Class 2	2 axles (with a length no less than 6m or maximum authorized total weight no less than 4,500kg)	0.841	0.9
Class 3	3 axles	1.321	1.35
Class 4	4 axles	1.639	1.7
Class 5	5 axles	1.675	1.85
Class 6	6 axles or above (inclusive)	1.747	2.2

Notes:

- Total number of axles includes floating axles.
- For trucks with 6 axles above running on Huihang Expressway, toll rates of trucks with each additional axle shall be calculated at 1.1 times of the standard rate for Class 6 trucks; whereas toll rates of trucks with 10 axles or above shall be calculated at the standard rate for trucks with 10 axles.

## Financial and Operating Highlights

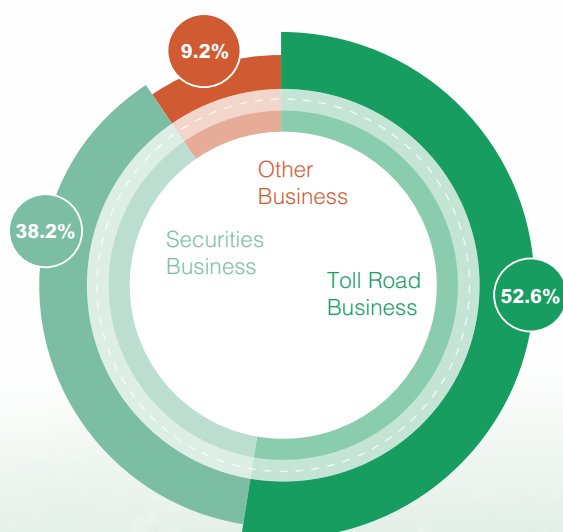
### RESULTS

	2021 <i>Rmb'000</i> (Restated)	2022 <i>Rmb'000</i> (Restated)	2023 <i>Rmb'000</i>	2024 <i>Rmb'000</i>	2025 <i>Rmb'000</i>
Revenue	16,641,414	15,331,777	16,965,024	18,064,824	<b>19,755,490</b>
Profit Before Tax	7,854,182	7,342,061	7,851,538	8,857,582	<b>9,789,587</b>
Income Tax Expense	(1,873,961)	(1,039,051)	(1,229,208)	(1,701,104)	<b>(1,926,050)</b>
Profit for the year	5,980,221	6,303,010	6,622,330	7,156,478	<b>7,863,537</b>
Profit for the year attributable to:					
Owners of the Company	4,452,488	5,178,666	5,223,679	5,501,588	<b>5,324,958</b>
Non-controlling interests	1,527,733	1,124,344	1,398,651	1,654,890	<b>2,538,579</b>
Basic Earnings Per Share (EPS) (Rmb cents)	97.78	113.72	112.95	91.79	<b>88.62</b>
Diluted EPS (Rmb cents)	91.54	108.33	105.32	90.50	<b>88.62</b>

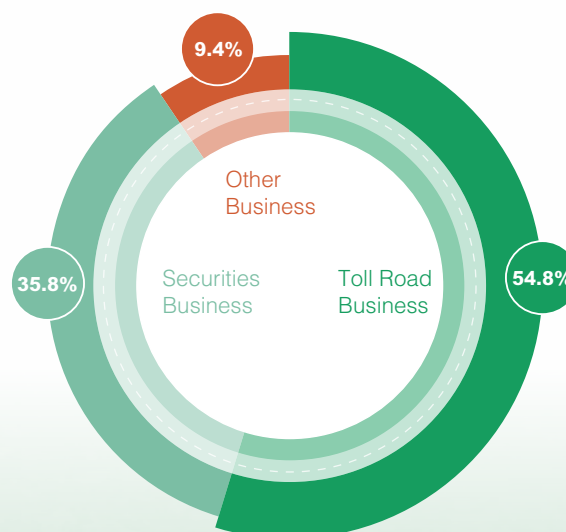
### RETURN ON EQUITY (ROE)

	2021 (Restated)	2022 (Restated)	2023	2024	2025
ROE	16.8%	17.3%	16.0%	11.9%	<b>11.0%</b>

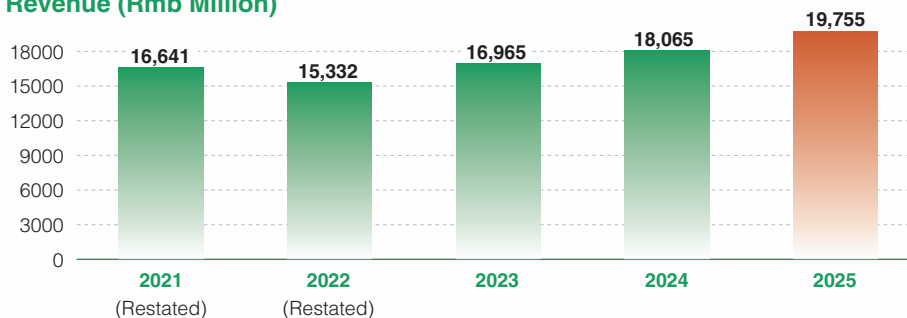
Segmental Revenue / 2025



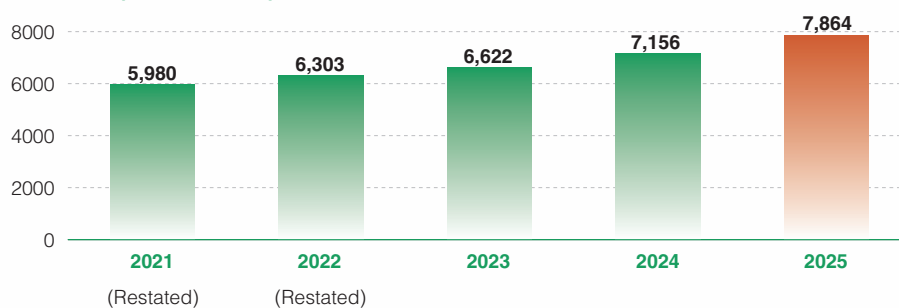
Segmental Net Profit / 2025



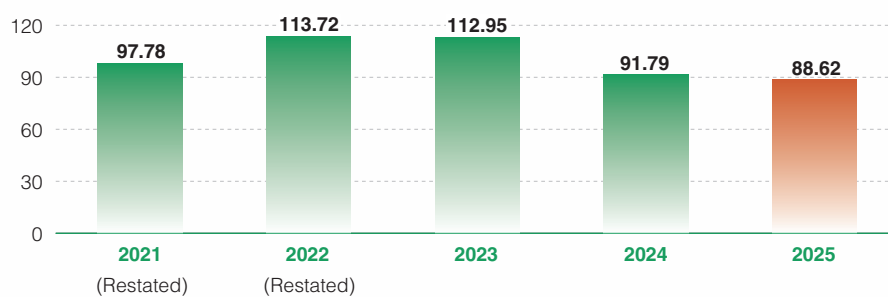
### Revenue (Rmb Million)



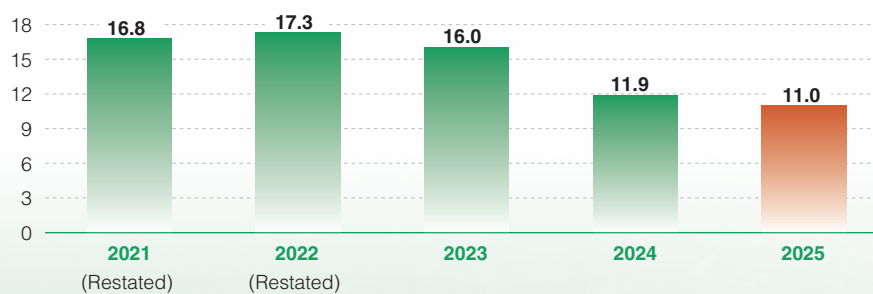
### Net Profit (Rmb Million)



### Basic EPS (Rmb Cents)



### ROE (%)





**YUAN Yingjie**

Chairman

# Chairman's Statement

Dear Shareholders,

On behalf of the Board, I'm honored to present the annual results of the Group for the year 2025.

2025 is a pivotal reform year for the Group as it successfully concludes the 14th Five-Year Plan and strides towards high-quality development under the 15th Five-Year Plan. The global economic landscape is undergoing in-depth adjustments, and the domestic economy is in a phase of recovery. The expressways under the Group's operation are mainly located in Zhejiang Province, boasting favorable geographical advantages. Dominated by a dynamic private economy, Zhejiang Province is one of the most vibrant core economic sectors in China. In 2025, as measures to unlock consumption potential, enhance foreign trade resilience and foster new productive forces took effect, the province's GDP grew by 5.5% year on year, providing a solid support for the Group's high-quality development.

The Group has adhered to the core guidance of "stabilizing growth, advancing reforms, strengthening governance and enhancing profitability", upheld stable operations amid a complex environment, laid out strategic plans in emerging sectors amid the opportunities of the times, and continuously consolidated the foundation for its long-term development. During the Period, the Group's total revenue increased by 9.4% year-on-year to Rmb19,755.49 million, with profit attributable to owners of the Company standing at Rmb5,324.96 million, and a return on equity of 11.0%. The Company has always upheld the philosophy of actively rewarding Shareholders and sharing the fruits of development together, and proposes a dividend of Rmb39.5 cents per share. The Group's achievements would not have been possible without the dedication and hard work of all employees, and more importantly, the consistent and firm trust and strong support of all Shareholders and partners. Hereby, I extend my most sincere gratitude to every partner who has walked and forged ahead hand in hand with the Group.

## Chairman's Statement

In terms of our core expressway business, we have focused on the three key areas of “consolidating foundations, strengthening the core business and fostering new opportunities”, steadily advanced all key initiatives, continuously enhanced core competitiveness, and supported the Group’s steady and far-reaching development. As an expressway operator, the Group has always regarded “safety and smooth traffic” as the fundamental cornerstone of road network operation, fully leveraged technological achievements to empower operations and services, continuously improved road network operation efficiency, and steadily enhanced users’ sense of satisfaction to boost user loyalty. Meanwhile, we have seized market opportunities to drive quality and efficiency improvement of the core business through reconstruction and expansion, investment and mergers & acquisitions, laying a solid foundation for the high-quality and sustainable development of the Group. In addition, relying on the inherent advantages of the road networks, we have further advanced the layout of emerging business formats such as intelligent transportation and the integration of transportation and energy, accelerated a new development pattern featuring “green, low-carbon, intelligent and efficient”, and injected new impetus into the Group’s development. At present, the rapid development of new technologies such as big data, artificial intelligence and autonomous driving is profoundly reshaping the expressway operation model. Going forward, we will proactively embrace such changes, accelerate the transformation from traditional operation to comprehensive services and the expansion from a single core business to emerging business formats, so as to further stimulate vitality, cultivate competitive advantages and highlight brand value.

In terms of the securities business, the domestic capital market maintained a steady and sound development momentum with improvements in both scale and quality in 2025. Against this backdrop, Zheshang Securities has unswervingly followed the path of “market-oriented, professional and differentiated” development, accurately captured industry development opportunities, focused on optimizing the layout of core businesses, continuously deepened the connotation of serving the real economy and improved service quality and efficiency, achieving a substantial growth in operating performance. At the same time, on the basis of deeply cultivating regional market resources, Zheshang Securities has formed synergies in advantageous businesses and complementary geographical distribution through the acquisition of a controlling stake in Guodu Securities, and is steadily advancing towards the goal of becoming a national medium-to-large securities firm driven by both endogenous growth and external mergers & acquisitions.



Looking ahead to 2026, the inaugural year of the 15th Five-Year Plan, the global economy still faces numerous uncertainties, but the steady and progressive development momentum of the Chinese economy will remain unchanged, and the development trend of “digitalization, greening and industrialization” in transportation infrastructure will become more evident. The Group will closely follow the strategic guidance of “expanding growth, extending existing business, activating dynamic variables and stabilizing profitability levels”, adhere to the general principle of seeking progress while maintaining stability and pursuing high-quality development, focus on its core responsibilities and core business, steadily advance the reconstruction and expansion projects of existing expressways, continuously exert the function of the “Zhijiang Communications Holdings” investment platform, and constantly improve the quality of the core expressway business; strengthen market capitalization management, fully advance the A-share listing project to facilitate the valuation recovery of the Company; accelerate industrial upgrading, focus on the three key areas of “integration of transportation and energy, intelligent transportation and low-altitude economy” to open up a second growth curve; strengthen scientific and technological innovation, continuously promote the digital and intelligent upgrading of internal control management, road network services and road operation and maintenance, comprehensively enhance the Group’s core competitiveness, and lay a solid foundation for a strong start to the 15th Five-Year Plan.

Finally, on behalf of the Board, I would like to express my most sincere gratitude to all Shareholders, investors, business partners and customers who have cared for and supported the Company’s development for a long time, as well as the dedicated management team and all employees. In 2026, we will continue to adhere to our original aspiration, bravely shoulder our mission, unite our efforts and forge ahead with perseverance, push the Group to a new stage of high-quality development, and repay the trust of all sectors of society and the support of investors with stable operating performance.

**YUAN Yingjie**

*Chairman*

March 31, 2026

# *Resilience Amid Shifting Tides Steady Progress for a New Chapter*

The Group has closely followed the strategic orientation of “expanding growth, extending existing business, activating dynamic variables and stabilizing profitability levels”. We have solidly advanced the conclusion of the 14th Five-Year Plan, made every effort in stabilizing growth, advancing reforms, strengthening governance and enhancing profitability, and fostered stronger development resilience amid a complex environment, laying a solid foundation for the start of the 15th Five-Year Plan.

Meanwhile, guided by high-quality development, the Group has continued to deepen its main responsibilities and core businesses, accelerated the cultivation of new growth drivers, and achieved key breakthroughs in areas including value creation through services, transportation and energy integration, scientific and technological innovation, and capital operations, steadily consolidating the foundation for high-quality development.



# Management Discussion and Analysis

## BUSINESS REVIEW

In 2025, global economic recovery faced challenges from geopolitical tensions and fluctuations in international trade environment. Domestic economic development also encountered structural pressures including insufficient demand and the transition between old and new growth drivers. Against this backdrop, the Chinese government implemented targeted and robust macroeconomic policies to expand domestic demand, deepen reform and opening-up, and cultivate new quality productive forces, ensuring stable and positive economic performance. National GDP grew by 5.0% year-on-year. In 2025, Zhejiang Province actively leveraged its core strengths in digital economy and private sector, accelerated the development of artificial intelligence industry, and diversified foreign trade markets, to propel a 5.5% year-on-year GDP growth for the province.

During the Period, based on internal operational metrics, macroeconomic growth drove an organic increase of approximately 3.3% in toll revenue from expressways under the Group. However, due to traffic control for reconstruction and expansion on connecting external road networks and certain sections under the Group's operation, as well as the expanded scope of the 15% toll discount policy for ETC trucks, the Group recorded a slight year-on-year decline in expressway toll revenue. Benefiting from recovery in domestic capital markets and increased activity in mergers and acquisitions, revenue of securities business saw substantial year-on-year growth, enhancing the Group's overall revenue. During the Period, total revenue of the Group was Rmb19,755.49 million, representing a year-on-year increase of 9.4%, of which Rmb10,387.66 million was generated by the nine major expressways operated by the Group (2024: Rmb10,662.35 million), representing 52.6% of total revenue. Revenue generated by the securities business was Rmb7,550.61 million (2024: Rmb6,182.51 million), representing 38.2% of the total revenue.

# *Refined Road Network Management Enhanced Service Quality and Efficiency*

The Group has always upheld its original aspiration and mission of serving the people's demand for better travel, fully empowered roads operation with digital and intelligent technologies, and continuously improved road traffic efficiency, providing a safe, smooth and convenient travel experience for customers. Meanwhile, the Group has built a multi-dimensional customer care system, stepped up online marketing and promotion, and guaranteed the opening and smooth operation of externally entrusted management projects, to drive the output of management services and elevate brand influence.



A breakdown of the Group's revenue for the Period is set out below:

	<b>2025</b> <i>Rmb'000</i>	2024 <i>Rmb'000</i>	Year-on-year Change
Toll road operation revenue	<b>10,387,655</b>	10,662,346	-2.6%
Shanghai-Hangzhou-Ningbo Expressway	<b>4,928,173</b>	4,996,109	-1.4%
Shangsan Expressway	<b>872,848</b>	1,060,476	-17.7%
Jinhua Section, Ningbo-Jinhua Expressway	<b>504,902</b>	566,418	-10.9%
Hanghui Expressway	<b>685,815</b>	730,386	-6.1%
Huihang Expressway	<b>189,405</b>	186,844	1.4%
Zhoushan Bay Bridge	<b>1,392,825</b>	1,299,442	7.2%
LongLiLiLong Expressways	<b>806,578</b>	792,175	1.8%
Zhajiasu Expressway	<b>469,290</b>	500,747	-6.3%
HuangQuNan Expressway	<b>537,819</b>	529,749	1.5%
Securities business revenue	<b>7,550,613</b>	6,182,506	22.1%
Commission and fee income	<b>4,642,996</b>	3,692,147	25.8%
Interest income	<b>2,907,617</b>	2,490,359	16.8%
Other operation revenue	<b>1,817,222</b>	1,219,972	49.0%
Hotel and catering	<b>101,628</b>	108,251	-6.1%
Construction service	<b>1,690,252</b>	1,070,362	57.9%
Public-private partnership	<b>25,342</b>	41,359	-38.7%
<b>Total revenue</b>	<b>19,755,490</b>	18,064,824	9.4%

An aerial photograph showing a multi-lane highway interchange with a green guardrail. To the left of the highway, several long, parallel rows of solar panels are installed on a dirt and gravel shoulder. The background shows green vegetation and a road curving away.

## *Tangible Progress in Green Layout New Breakthroughs in Intelligent Empowerment*

Leveraging the integration of “transportation + energy” as a key initiative, the Group has actively responded to the dual-carbon strategy. Through capital injection, the Company acquired an 11.6733% equity stake in Zhejiang Communications Investment Carbon, and it successfully established China’s first dedicated transport route for foreign trade container electric trucks, achieving a substantial breakthrough in green and low-carbon layout. At the same time, the Group has accelerated development of intelligent expressways, continuously upgraded core technologies such as “Zhijiang Intelligent Eye (之江慧眼)”, and created a comprehensive service platform of intelligent expressways, making new progress in market expansion outside Zhejiang Province.

## Toll Road Operations

### (I) Business Performance and Analysis

The expressways operated by the Group are primarily located in Zhejiang Province, connecting several core economic regions within the Yangtze River Delta. Leveraging advantages of international hubs such as Ningbo Zhoushan Port, along with a vibrant private sector, robust manufacturing clusters, and a well-developed e-commerce logistics system, Zhejiang Province has established a solid industrial foundation and a resilient foreign trade structure, providing stable freight demand support for the Group's road networks. Meanwhile, deepening integration of the Yangtze River Delta will continue to strengthen regional economic ties and personnel mobility, further driving passenger traffic growth. In 2025, Zhejiang Province's GDP grew by 5.5% year-on-year, exceeding national average growth rate. The superior geographical conditions and robust economic foundation have provided strong support for the organic growth of overall traffic volume and toll revenue of the Group's expressways.


During the Period, toll revenue of the Group's nine expressways amounted to Rmb10,387.66 million, representing a year-on-year decrease of 2.6%. Overall traffic volume declined by 1.3% year-on-year. Daily average traffic volume in full-trip equivalents and toll revenue for each expressway section are detailed in the table below:

The Group's Expressway Sections	Daily Average Traffic Volume <i>(in Full-Trip Equivalents)</i>	Year-on-year Change	Toll Revenue <i>(Rmb million)</i>	Year-on-year Change
Shanghai-Hangzhou-Ningbo Expressway	91,379	0.15%	4,928.17	-1.40%
– Shanghai-Hangzhou Section	93,058	0.98%		
– Hangzhou-Ningbo Section	90,154	-0.46%		
Shangsang Expressway	28,330	-12.36%	872.85	-17.70%
Jinhua Section, Ningbo-Jinhua Expressway	30,442	-10.49%	504.90	-10.90%
Hanghui Expressway	27,693	-4.91%	685.82	-6.10%
Huihang Expressway	12,240	5.16%	189.41	1.40%
Zhoushan Bay Bridge	34,656	8.65%	1,392.83	7.20%
LongLiLiLong Expressways	16,803	5.50%	806.58	1.80%
Zhajiasu Expressway	40,815	-5.66%	469.29	-6.30%
HuangQuNan Expressway	13,038	7.23%	537.82	1.50%

# *Multiple Breakthroughs in Investment and M & A Continuous Deepening of Market Capitalization Management*

The Group has continuously strengthened its core expressway business. An acquisition of 51% equity stake in the 135 km Guisan Expressway was completed through a joint venture investment platform “Zhijiang Communications Holdings”. The Company successfully won the bid as an investor for Parallel Line of Ningbo-Zhoushan Expressway Phase II project, and steadily advanced reconstruction and expansion projects of existing expressways, thereby continuously enhancing the growth momentum of its core business. At the same time, the Group has always placed a high priority on Shareholder returns. The Board has recommended a dividend of Rmb39.5 cents per share. The Group is also making orderly progress in its A-share listing project, which will facilitate the Company’s valuation recovery.





Performance variations across different sections were primarily influenced by the following factors:

The development of Zhoushan industrial park and construction of Parallel Line of Ningbo-Zhoushan Expressway drove increased freight demand, resulting in significant growth in truck traffic volume on Zhoushan Bay Bridge. Shangsang Expressway was affected by traffic control for reconstruction and expansion on the relevant sections of YongTaiWen Expressway (an external road network), while Xucun to Fotang segment on the reconstruction and expansion project of Jinhua Section of Ningbo-Jinhua Expressway implemented traffic control from July 31, 2025, leading to phased declines in traffic volume and toll revenue for both expressways.

Suzhou-Taizhou Expressway (Phase II) opened to traffic since July 4, 2025, leading to a year-on-year decline in traffic volume of Zhajiasu Expressway due to diversion. Linan Linglong-Yuqian Section of National Highway 329 opened to traffic since December 26, 2024, coupled with opening to traffic of West Wenyi Road Tunnel since June 28, 2024, resulting in a year-on-year decrease in traffic volume of Hanghui Expressway due to diversion. Hangzhou to Ningbo Section of Hangzhou-Shaoxing-Ningbo Expressway fully opened to traffic since April 11, 2025, leading to a certain diversion in traffic volume of Hangzhou-Ningbo Expressway.

The 15% discount policy on tolls for Zhejiang ETC trucks, implemented since 2019 on state-controlled expressways within the Zhejiang Province, was extended to all ETC trucks starting from April 25, 2025. Coupled with one fewer toll collection day in 2025 compared to the year of 2024, these factors collectively exerted a certain negative impact on the toll revenue of the Group's expressways.

## Management Discussion and Analysis

### (II) Business Operations Achievements

2025 marked the conclusion of the 14th Five-Year Plan. Facing a complex and ever-changing external environment, the Group remained steadfast in its strategic direction. With a focus on stabilizing growth, advancing reforms, strengthening governance, and enhancing profitability, the Group has made key achievements in service quality improvement, core business expansion, industrial upgrading, and capital operations.

**Continuous enhancement of operational efficiency and service quality.** Through measures such as hard shoulder expansion, drone early warning, intensive and off-peak maintenance construction, the Group has consistently reduced the duration of toll station closures, as well as road closures and traffic interruptions caused by road maintenance to enhance efficiency of existing road networks. Meanwhile, leveraging Douyin live streaming for real-time traffic updates and marketing promotions, systematically establishing a care system for truck users, and adding service facilities such as fatigue-prevention parking spaces, driver rest areas, and health stations, the Group has improved service quality and strengthened customer loyalty.

**Solidified sustainable development foundation of core expressway business.** An acquisition of 51% equity interests in the 135 km Guisan Expressway was completed through a joint venture stake platform. Guisan Expressway boasts a strategic location as one of the primary routes connecting Sichuan, Chongqing, Yunnan and Guizhou regions to the Pearl River Delta. With its abundant natural scenic resources along the route, it also serves as a renowned tourist corridor. This acquisition further expanded the Group's regional strategic footprint following the acquisition of the 145 km Yonglan Expressway. Meanwhile, the Company successfully won the bid as an investor for Parallel Line of Ningbo-Zhoushan Expressway Phase II project, enhancing integrated effects of the regional road network. Steady progress was made on reconstruction and expansion projects including Jinhua and Shaoxing Sections of Ningbo-Jinhua Expressway and Zhajiasu Expressway, with the overall construction progress reaching 27.5%.



**Accelerated development of “transportation + energy” integration and intelligent expressways.** Through capital injection, the Company acquired an 11.6733% equity stake in Zhejiang Communications Investment Carbon, marking its entry into green new energy sector. The new energy heavy-duty truck battery swapping station at the Shengzhou Service Area of Ningbo-Jinhua Expressway has commenced operation, successfully establishing China’s first dedicated transport route for foreign trade container electric trucks. Additionally, the Group completed province-wide deployment of the “Sunshine Rescue (陽光救援)” system and the activation of the drone flight control platform, upgraded core technologies such as “Zhijiang Intelligent Eye (之江慧眼)”, and created a comprehensive service platform of intelligent expressways to continuously enhance smooth traffic operation through intelligent systems.

**Steady advancement in A-share listing capital operations.** Seizing the policy opportunity of regulatory support for absorption and merger between listed companies under common control, the Company has been advancing absorption and merger through share swap with Zhejiang Océanking Development Co., Ltd. in an orderly manner. Upon completion of this absorption and merger, the Company will achieve listing on both A-share and H-share markets, which is conducive to valuation recovery of the Company, enhancing investment and financing capabilities, and supporting the Group’s long-term development.

## Securities Business

In 2025, amid a complex external environment and intensifying industry competition, China’s capital market demonstrated overall stability with positive trends, driven by supportive macroeconomic policies and steady economic recovery. The A-share market saw active trading, with investor confidence gradually recovering and major indices showing steady upward momentum. Proactively seizing market opportunities, Zheshang Securities adhered to direction of market-oriented, professional, and differentiated development, continuously deepened reform and innovation, focused on enhancing quality and efficiency of operational management, and achieved significant growth in annual operating performance. Notably, brokerage business and securities investment business delivered outstanding performance, while the acquisition of a controlling stake in Guodu Securities Co., Ltd. also contributed growth to results.

During the Period, Zheshang Securities recorded revenue of Rmb7,550.61 million, representing a year-on-year increase of 22.1%, of which commission and fee income increased 25.8% year-on-year to Rmb4,643.00 million; interest income of securities business reached Rmb2,907.62 million, a 16.8% increase year-on-year. In addition, securities investment gains of Zheshang Securities included in the consolidated statement of profit or loss and other comprehensive income of the Group was Rmb2,819.17 million (2024: Rmb1,735.12 million).

## Management Discussion and Analysis

### Hotel and Catering

Zhejiang Grand Hotel, owned by Zhejiang Grand Hotel Limited (a 100% owned subsidiary of the Company), recorded revenue of Rmb39.82 million for the Period (2024: Rmb42.93 million).

Grand New Century Hotel, owned by Zhejiang Linping Expressway Co., Ltd. (a 51% owned subsidiary of the Company), recorded revenue of Rmb61.81 million for the Period (2024: Rmb65.32 million).

### Long-Term Investments

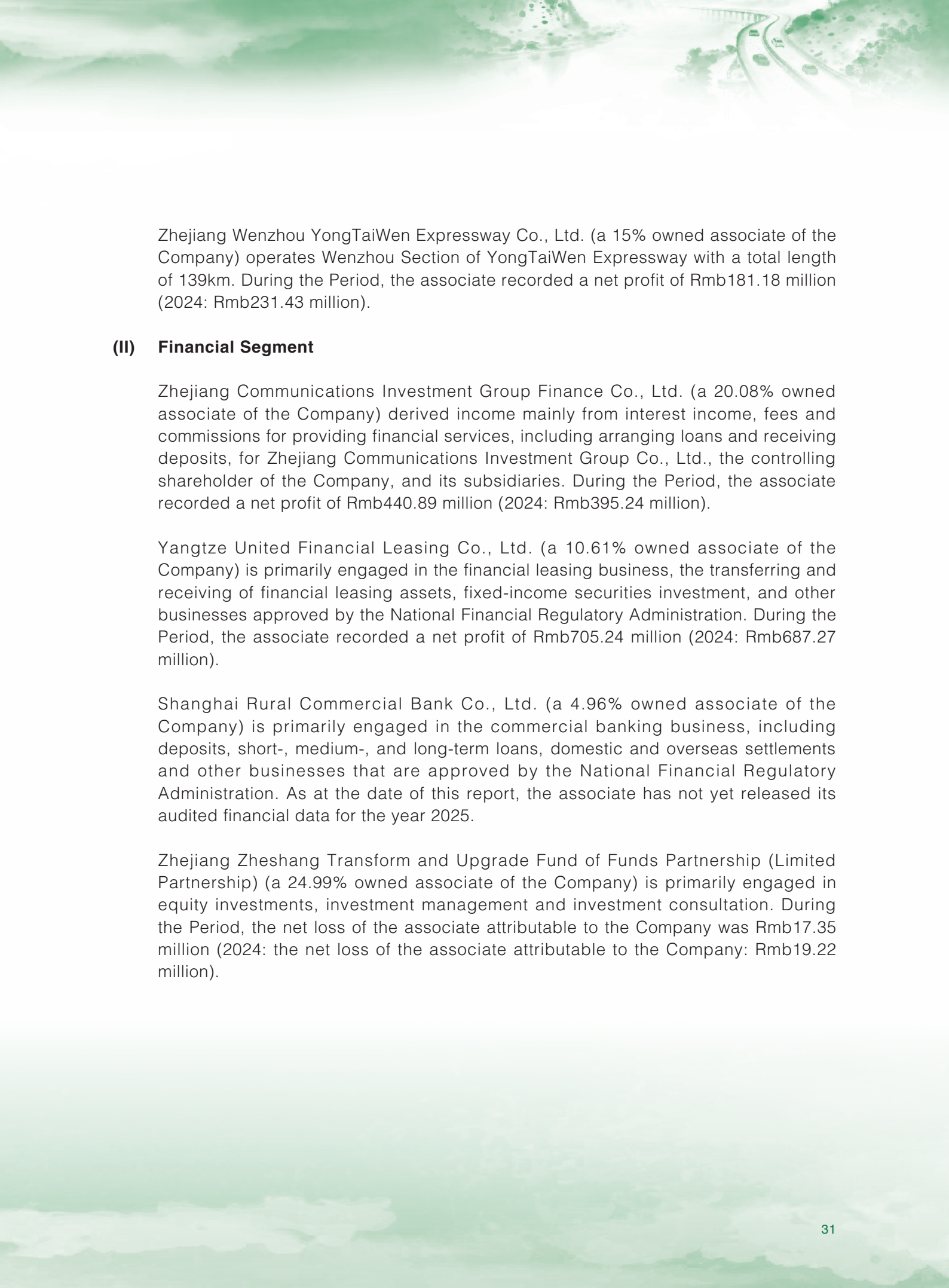
#### (1) Expressway Segment

Zhejiang Shaoxing Shengxin Expressway Co., Ltd. ("**Shengxin Co**", a 50% owned joint venture of the Company) owns the 73km Shaoxing Section of Ningbo-Jinhua Expressway. During the Period, average daily traffic volume in full-trip equivalents was 32,956, representing a year-on-year increase of 6.30%, with toll revenue amounting to Rmb592.82 million (2024: Rmb564.46 million). During the Period, the joint venture recorded a net profit of Rmb228.86 million (2024: Rmb216.55 million).

Zhejiang Zhijiang Communications Holdings Co., Ltd. ("**Zhijiang Communications Holdings**", a 50% owned joint venture of the Company) is primarily engaged in expressway investments and holds a 100% equity interest in the 145km Yonglan Expressway and a 51% equity interest in the 135km Guisan Expressway. During the Period, the joint venture achieved a net profit of Rmb67.73 million (2024: Rmb44.94 million).

Zhejiang HangNing Expressway Co., Ltd. (a 30% owned associate of the Company) owns the 99km HangNing Expressway. During the Period, the associate recorded a net profit of Rmb375.84 million (2024: Rmb523.86 million).

The Company held 30% of the subordinated class of CICC-Zhejiang Expressway-Shenjiahuhang asset-backed special program (the "**Asset-backed Special Program (Phase I)**") which owns Shenjiahuhang Expressway with a total length of 93km. During the Period, the Asset-Backed Special Program (Phase I) was renewed upon maturity. At the same time, the Company held 20% of the subordinated class of the renewed CICC-Zhejiang Expressway-Shenjiahuhang asset-backed special program (Phase II) ("**Asset-backed Special Program (Phase II)**"). During the Period, the total investment income from Asset-backed Special Program (Phase I) and Asset-backed Special Program (Phase II) was Rmb79.48 million.



Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd. (a 15% owned associate of the Company) operates Wenzhou Section of YongTaiWen Expressway with a total length of 139km. During the Period, the associate recorded a net profit of Rmb181.18 million (2024: Rmb231.43 million).

## **(II) Financial Segment**

Zhejiang Communications Investment Group Finance Co., Ltd. (a 20.08% owned associate of the Company) derived income mainly from interest income, fees and commissions for providing financial services, including arranging loans and receiving deposits, for Zhejiang Communications Investment Group Co., Ltd., the controlling shareholder of the Company, and its subsidiaries. During the Period, the associate recorded a net profit of Rmb440.89 million (2024: Rmb395.24 million).

Yangtze United Financial Leasing Co., Ltd. (a 10.61% owned associate of the Company) is primarily engaged in the financial leasing business, the transferring and receiving of financial leasing assets, fixed-income securities investment, and other businesses approved by the National Financial Regulatory Administration. During the Period, the associate recorded a net profit of Rmb705.24 million (2024: Rmb687.27 million).

Shanghai Rural Commercial Bank Co., Ltd. (a 4.96% owned associate of the Company) is primarily engaged in the commercial banking business, including deposits, short-, medium-, and long-term loans, domestic and overseas settlements and other businesses that are approved by the National Financial Regulatory Administration. As at the date of this report, the associate has not yet released its audited financial data for the year 2025.

Zhejiang Zheshang Transform and Upgrade Fund of Funds Partnership (Limited Partnership) (a 24.99% owned associate of the Company) is primarily engaged in equity investments, investment management and investment consultation. During the Period, the net loss of the associate attributable to the Company was Rmb17.35 million (2024: the net loss of the associate attributable to the Company: Rmb19.22 million).

## Management Discussion and Analysis

### FINANCIAL ANALYSIS

The Group adopts a prudent financial policy to achieve its long-term objective of delivering quality returns to Shareholders.

During the Period, profit attributable to owners of the Company was Rmb5,324.96 million, representing a decrease of 3.2% year-on-year, basic earnings per share was Rmb88.62 cents, representing a decrease of 3.5% year-on-year, diluted earnings per share was Rmb88.62 cents, representing a decrease of 2.1% year-on-year, and return on equity was 11.0%, representing a decrease of 7.6% year-on-year.

### Liquidity and Financial Resources

As at December 31, 2025, current assets of the Group amounted to Rmb214,492.23 million (December 31, 2024: Rmb145,924.30 million), of which bank balances, settlement reserves, deposits and cash accounted for 15.9% (December 31, 2024: 16.0%), client bank balances and settlement reserves held on behalf of clients represented 34.0% (December 31, 2024: 33.6%), financial assets at fair value through profit or loss constituted 23.2% (December 31, 2024: 24.4%), and customer loans arising from margin financing and securities lending business comprised 18.2% (December 31, 2024: 16.6%). The current ratio (current assets over current liabilities) of the Group as at December 31, 2025 was 1.30 (December 31, 2024: 1.30). Excluding the effect of the customer deposits arising from the securities business, the resultant current ratio of the Group (current assets less bank balances and clearing settlement fund held on behalf of customers over current liabilities less balance of accounts payable to customers arising from securities business) was 1.60 (December 31, 2024: 1.60).

The amount of financial assets at FVTPL included in current assets of the Group as at December 31, 2025 was Rmb49,832.10 million (December 31, 2024: Rmb35,536.63 million), of which 49.3% was invested in bonds, 12.9% was invested in stocks, 19.5% was invested in equity funds, and the rest were invested in structured products and trust products, etc.

During the Period, net cash from the Group's operating activities amounted to Rmb4,203.48 million. The currency mix in which cash and cash equivalents are held has not substantially changed as compared to the same period last year.

The Directors do not expect the Company to experience any problems with liquidity and financial resources in the foreseeable future.

	As at December 31,	
	2025 Rmb' 000	2024 Rmb' 000
Cash and cash equivalents	23,565,920	20,932,480
Restricted bank balances and cash	116,834	80,259
Time deposits with original maturity over three months	10,354,097	2,379,965
Financial assets at fair value through profit or loss	49,832,095	35,536,634
<b>Total</b>	<b>83,868,946</b>	<b>58,929,338</b>

## Borrowings and Solvency

As at December 31, 2025, total liabilities of the Group amounted to Rmb200,363.58 million (December 31, 2024: Rmb143,484.00 million), of which 8.9% was bank and other borrowings, 6.8% was short-term financing note, 20.1% was bonds payable, 17.2% was financial assets sold under repurchase agreements and 36.1% was accounts payable to customers arising from securities business.

As at December 31, 2025, total interest-bearing borrowings of the Group amounted to Rmb71,640.77 million, representing an increase of 29.6% compared with December 31, 2024. The borrowings comprised outstanding balances of domestic commercial bank loans of Rmb15,627.03 million, borrowings from overseas commercial bank loans of Rmb63.33 million, borrowings from other domestic financial institutions of Rmb545.43 million, borrowings from other domestic entities of Rmb1,601.21 million, short-term financing notes of Rmb8,754.75 million, beneficial certificates of Rmb4,830.46 million, long-term beneficial certificates of Rmb5,536.82 million, subordinated bonds of Rmb6,242.53 million and corporate bonds of Rmb28,439.21 million. Of the interest-bearing borrowings, 50.8% was not payable within one year.

As of December 31, 2025, the Group's borrowings from domestic commercial banks bore annual fixed interest rates ranged from 2.60% to 3.25%, annual floating interest rates ranged from 2.11% to 2.95%, while overseas commercial bank borrowings carried a fixed annual interest rate of 5.72%. Borrowings from other domestic financial institutions carried fixed annual interest rates ranging from 2.50% to 2.77%, and borrowings from other domestic entities carried floating annual interest rates of 2.45% and 2.50%. As of December 31, 2025, the beneficial certificates bore annual fixed interest rates ranged from 1.83% to 2.30%, annual floating interest rates ranged from 1.60% to 8.30%, while the annual fixed interest rate for short-term financing notes ranged from 1.67% to 1.75%, the long-term beneficial certificates bore annual fixed interest rates ranged from 1.96% to 2.60%, annual floating interest rates ranged from 3.75% to 8.30%, while the annual fixed interest rates for corporate bonds ranged from 1.64% to 3.49%, and the annual fixed interest rates for subordinated bonds ranged from 2.28% to 4.07%.

## Management Discussion and Analysis

	Gross amount <i>Rmb'000</i>	Maturity Profile		
		Within 1 year <i>Rmb'000</i>	2-5 years inclusive <i>Rmb'000</i>	Beyond 5 years <i>Rmb'000</i>
Floating rates				
Borrowings from domestic commercial banks	14,259,303	1,138,970	8,803,273	4,317,060
Borrowings from other domestic entities	1,601,213	1,213	222,000	1,378,000
Beneficial Certificates	755,734	755,734	–	–
Fixed rates				
Borrowings from domestic commercial banks	1,367,726	1,051,726	316,000	–
Borrowings from overseas commercial banks	63,332	63,332	–	–
Borrowings from other domestic financial institutions	545,431	85,431	460,000	–
Short-term financing notes	8,754,750	8,754,750	–	–
Beneficial Certificates	4,074,723	4,074,723	–	–
Long-term Beneficial Certificates	5,536,821	5,447,221	89,600	–
Subordinated bonds	6,242,526	442,526	5,800,000	–
Corporate bonds	28,439,209	13,439,209	15,000,000	–
<b>Total as at December 31, 2025</b>	<b>71,640,768</b>	<b>35,254,835</b>	<b>30,690,873</b>	<b>5,695,060</b>
<b>Total as at December 31, 2024</b>	<b>55,266,149</b>	<b>20,812,617</b>	<b>28,871,622</b>	<b>5,581,910</b>

During the Period, total interest expenses and profit before interest and tax for the Period amounted to Rmb1,546.91 million and Rmb11,336.49 million, respectively. The interest cover ratio (profit before interest and tax over interest expenses) stood at 7.3 times (Corresponding period of 2024: 6.1 times).

	2025 <i>Rmb'000</i>	2024 <i>Rmb'000</i>
Profit before tax and interest	11,336,493	10,599,233
Interest expenses	1,546,906	1,741,651
Interest cover ratio	7.3	6.1

As at December 31, 2025, the asset-liability ratio (total liabilities over total assets) of the Group was 68.3% (December 31, 2024: 66.1%). Excluding the effect of customer deposits arising from the securities business, the resultant asset-liability ratio (total liabilities less balance of accounts payable to customers arising from securities business over total assets less bank balances and clearing settlement fund held on behalf of customers) of the Group was 58.1% (December 31, 2024: 56.6%).

## Capital Structure

As at December 31, 2025, the Group had Rmb93,049.33 million in total equity, Rmb132,212.29 million in fixed-rate liabilities, Rmb15,860.52 million in floating-rate liabilities, and Rmb52,290.77 million in interest-free liabilities, representing 31.7%, 45.1%, 5.4% and 17.8% of the Group's total capital, respectively. The gearing ratio, which is computed by dividing the total liabilities less accounts payable to customers arising from the securities business by total equity, was 137.6% as at December 31, 2025 (December 31, 2024: 129.0%).

	As at December 31, 2025		As at December 31, 2024	
	Rmb'000	%	Rmb'000	%
Total equity	<b>93,049,334</b>	<b>31.7%</b>	73,698,364	33.9%
Fixed rate liabilities	<b>132,212,289</b>	<b>45.1%</b>	113,566,757	52.3%
Floating rate liabilities	<b>15,860,517</b>	<b>5.4%</b>	15,380,042	7.1%
Interest-free liabilities	<b>52,290,769</b>	<b>17.8%</b>	14,537,204	6.7%
<b>Total</b>	<b>293,412,909</b>	<b>100.0%</b>	217,182,367	100.0%
Long-term interest-bearing liabilities	<b>36,846,239</b>	<b>12.6%</b>	34,699,938	16.0%
Gearing ratio 1 (note)	<b>137.6%</b>		129.0%	
Gearing ratio 2 (note)	<b>39.6%</b>		47.1%	
Asset-liabilities ratio 1 (note)	<b>68.3%</b>		66.1%	
Asset-liabilities ratio 2 (note)	<b>58.1%</b>		56.6%	

*Note:* Gearing ratio 1 represents the total liabilities less balance of accounts payable to customers arising from securities business to the total equity; Gearing ratio 2 represents the total amount of the long-term interest-bearing liabilities to the total equity; Asset-liabilities ratio 1 represents total liabilities to total assets; Asset-liabilities ratio 2 represents total liabilities less balance of accounts payable to customers arising from securities business to total assets less bank balances and clearing settlement fund held on behalf of customers.

## Capital Expenditure Commitments and Utilization

During the Period, capital expenditure of the Group totaled Rmb4,087.84 million. Amongst the total capital expenditure, Rmb1,134.50 million was incurred for acquiring equity investment, Rmb86.11 million was incurred for acquisition and construction of properties, Rmb1,163.31 million was incurred for acquisition of equipment and facilities, as well as construction of ancillary facilities, and Rmb1,703.92 million was incurred for construction projects of expressways.

As at December 31, 2025, the capital expenditure committed by the Group amounted to Rmb4,952.50 million in total. Amongst the capital expenditure committed by the Group, Rmb226.00 million will be used for acquiring equity investments, Rmb162.89 million will be used for acquisition and construction of properties, Rmb1,740.61 million for acquisition of equipment and facilities, as well as construction of ancillary facilities, and Rmb2,823.00 million for construction projects of expressways.

## Management Discussion and Analysis

The Group will first consider financing the above-mentioned capital expenditure commitments with internal resources, and then will comprehensively consider using debt financing and equity financing to meet any shortfalls.

### Use of Proceeds from Convertible Bonds and Rights Issue

#### Convertible Bond 2021

The Company issued the Convertible Bond 2021 on January 20, 2021, and after deducting issuance costs of approximately Euro1 million, the net proceeds from the convertible bonds issuance amounted to approximately Euro229 million, all of which were used to repay existing borrowings.

#### Rights Issue

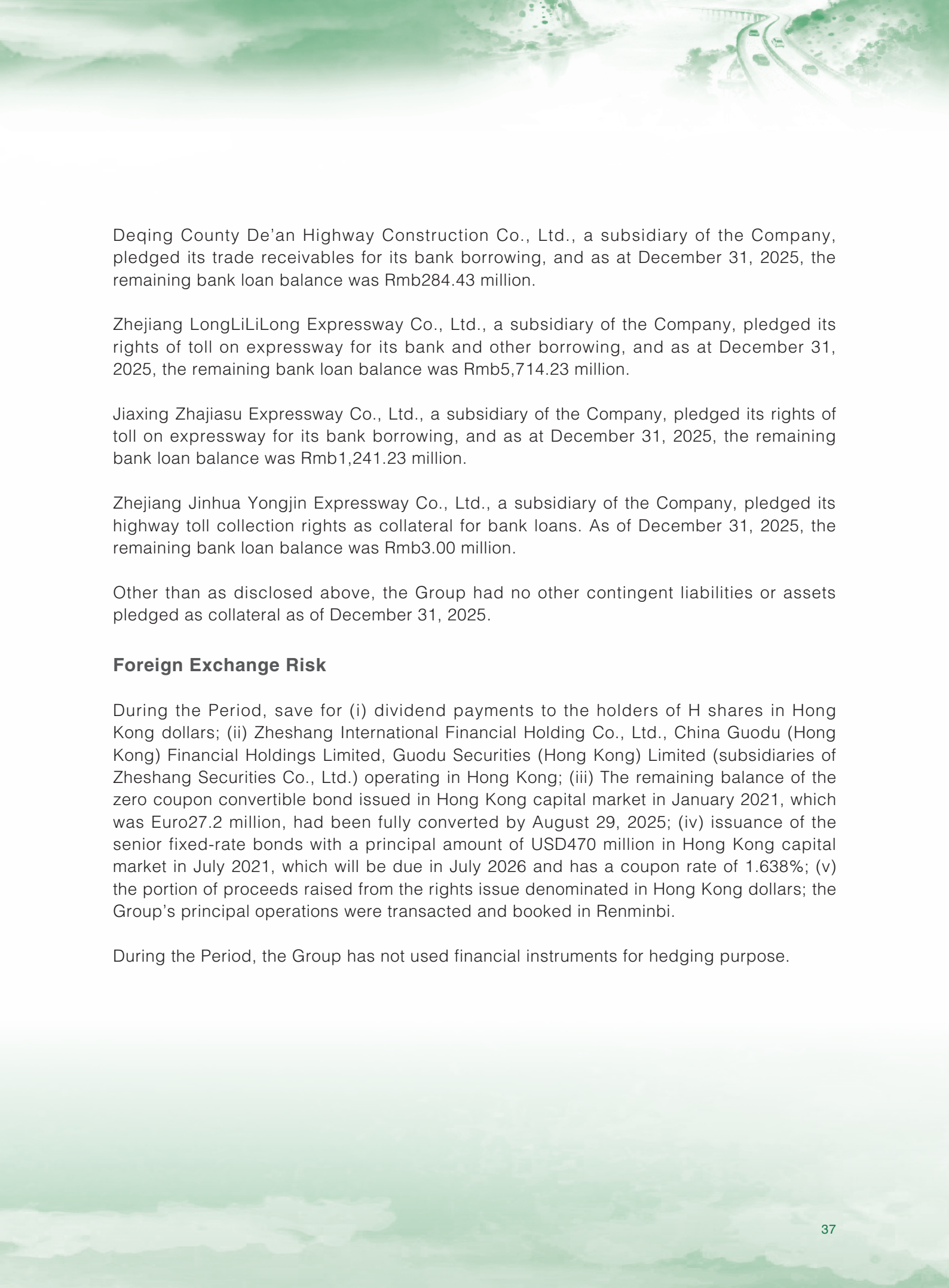
Reference is made to the prospectus of the Company dated November 21, 2023 in relation to the rights issue (the “**Rights Issue**”). During the Period, the Group has utilized approximately Rmb390 million of the net proceeds from the Rights Issue for the reconstruction and expansion of existing expressway projects of the Group, and approximately Rmb800 million for daily operating expenses such as replenishment of liquidity and repayment of borrowings for the Group. Such use of proceeds was made in accordance with and consistent with the intended use of proceeds for the Rights Issue as previously disclosed.

As of December 31, 2025, out of the total amount of Rmb6,120 million net proceeds raised from the Rights Issue, the Group had utilized an aggregate of approximately Rmb1,370 million for the reconstruction and expansion of existing expressway projects, and approximately Rmb800 million for daily operating expenses such as replenishment of liquidity and repayment of borrowings. The remaining net proceeds from the Rights Issue amounted to approximately Rmb3,950 million. As disclosed in the announcement of the Company dated December 31, 2025, the remaining proceeds were reallocated as follows: (i) approximately Rmb2,330 million will be used for the reconstruction and expansion of existing expressway projects, with full utilization expected by December 31, 2028 (it is estimated that Rmb940 million, Rmb940 million, and Rmb450 million will be utilized annually over the three years ending December 31, 2028, respectively. The timetable for utilizing the proceeds is subject to the actual progress of expressway reconstruction and expansion projects and will be adjusted accordingly); and (ii) approximately Rmb1,620 million will be used for daily operating expenses such as replenishment of liquidity and repayment of borrowings, which is expected to be fully utilized by December 31, 2026.

### Contingent Liabilities and Pledge of Assets

The Company and Shaoxing Communications Investment Group Co., Ltd. (“**Shaoxing Communications**”, the other joint venture partner that holds 50% equity interest in Shengxin Co) provided Shengxin Co with joint guarantee for its bank loans of Rmb2.20 billion, in accordance with their proportionate equity interests in Shengxin Co. As at December 31, 2025, the remaining bank loan balance was Rmb370.52 million. These guarantees were released on February 2, 2026.

Zhejiang Zhoushan Bay Bridge Co., Ltd., a subsidiary of the Company, pledged its rights of toll on expressway for its bank borrowing, and as at December 31, 2025, the remaining bank loan balance was Rmb4,475.58 million.



Deqing County De'an Highway Construction Co., Ltd., a subsidiary of the Company, pledged its trade receivables for its bank borrowing, and as at December 31, 2025, the remaining bank loan balance was Rmb284.43 million.

Zhejiang LongLiLiLong Expressway Co., Ltd., a subsidiary of the Company, pledged its rights of toll on expressway for its bank and other borrowing, and as at December 31, 2025, the remaining bank loan balance was Rmb5,714.23 million.

Jiaxing Zhajiasu Expressway Co., Ltd., a subsidiary of the Company, pledged its rights of toll on expressway for its bank borrowing, and as at December 31, 2025, the remaining bank loan balance was Rmb1,241.23 million.

Zhejiang Jinhua Yongjin Expressway Co., Ltd., a subsidiary of the Company, pledged its highway toll collection rights as collateral for bank loans. As of December 31, 2025, the remaining bank loan balance was Rmb3.00 million.

Other than as disclosed above, the Group had no other contingent liabilities or assets pledged as collateral as of December 31, 2025.

### **Foreign Exchange Risk**

During the Period, save for (i) dividend payments to the holders of H shares in Hong Kong dollars; (ii) Zheshang International Financial Holding Co., Ltd., China Guodu (Hong Kong) Financial Holdings Limited, Guodu Securities (Hong Kong) Limited (subsidiaries of Zheshang Securities Co., Ltd.) operating in Hong Kong; (iii) The remaining balance of the zero coupon convertible bond issued in Hong Kong capital market in January 2021, which was Euro27.2 million, had been fully converted by August 29, 2025; (iv) issuance of the senior fixed-rate bonds with a principal amount of USD470 million in Hong Kong capital market in July 2021, which will be due in July 2026 and has a coupon rate of 1.638%; (v) the portion of proceeds raised from the rights issue denominated in Hong Kong dollars; the Group's principal operations were transacted and booked in Renminbi.

During the Period, the Group has not used financial instruments for hedging purpose.

## Management Discussion and Analysis


### OUTLOOK

Looking ahead to 2026, the global economy is expected to maintain a moderate recovery amid regional divergences, yet risk factors such as policy adjustments by major economies, geopolitical conflicts, and trade frictions will continue to pose pressures and uncertainties. Despite challenging and complex external environment as well as domestic development challenges, the fundamental trend and supporting conditions for long-term growth of China's economy remain unchanged. With the coordinated efforts of macro policies, accelerated cultivation of new quality productive forces, and continuous release of reform dividends, China's economy is poised to further strengthen its stable and improving development momentum.

#### (I) Expressway Business

In 2026, despite the phased impacts from traffic control for reconstruction and expansion on connecting external road networks and certain sections under the Group's operation, the sustained steady and positive trend of China's economy, coupled with Zhejiang Province's resilient economic performance and continuously strengthening new growth drivers, will jointly provide strong support for organic growth of overall traffic volume of expressways under the Group's operation. The Group will fully seize opportunities, adhere to the strategic orientation of "expanding growth, extending existing business, activating dynamic variables and stabilizing profitability levels", and deepen implementation of "service-centered, profit-centered and brand-centered development strategies" in operation and management, so as to ensure steady operations amid complex and unstable market conditions, thereby creating long-term returns for Shareholders.

**Comprehensively advance service excellence and efficiency.** In terms of safety and smooth traffic, the Group will leverage intelligent technologies to enhance advance and real-time intervention, actively explore applications such as drones and robots for intelligent inspection, and further deepen construction management and intelligent congestion mitigation to continuously improve road network efficiency. In terms of service quality enhancement, focusing on precision services and efficient management, the Group will upgrade toll stations with multifunctional and intelligent capabilities, utilize traffic data for precise customer profiling, and strengthen care for truck drivers, so as to continuously elevate user satisfaction, and increase customer loyalty.



**Deepen the value of expressway core business.** The Group will steadily advance reconstruction and expansion projects including Jinhua and Shaoxing Sections of Ningbo-Jinhua Expressway, Zhajiasu Expressway, and Parallel Line of Ningbo-Zhoushan Expressway Phase II construction project, while continuously optimizing traffic organization plans to effectively mitigate construction impacts. The Group will orderly activate the bidding process for reconstruction and expansion project of Shanghai-Hangzhou-Ningbo Expressway, further refine its feasibility study plan, and strive to enhance investment returns. The Group looks forward to leveraging function of investment platform “Zhijiang Communications Holdings” to explore opportunities of high-quality expressway investment and merger & acquisition.

**Accelerate cultivation of new growth drivers.** The Group plans to expand road-related industries by leveraging road domain resources: explore integrated development of “low-altitude + expressway”; continue building a standardized technological foundation for intelligent expressways and enhance external output capabilities; advance distributed photovoltaic projects along expressways, green and low-carbon toll stations, and development of a new energy heavy-duty truck recharging network, and establish an energy management platform to integrate photovoltaic, storage, and charging resources, strengthening green development momentum.

**Deepen technological empowerment for efficiency enhancement.** Proactively seizing the opportunities in autonomous driving development, the Group will accelerate research on “unmanned truck formation” to enhance the utilization of idle road network resources and overall traffic efficiency. Meanwhile, the Group intends to strengthen R&D in key technologies such as disaster prevention and mitigation, intelligent detection, as well as routine monitoring and hazard management for critical structures like slopes and tunnels, continuously improving scientific maintenance standards and safety resilience of the road network. The Group will persist in implementing digital and intelligent internal control management, and build an integrated intelligent governance platform and an enterprise AI service hub to consistently enhance management efficiency and solidify the foundation for cost reduction and efficiency improvement.

**Continuously strengthen market capitalization management.** Guided by the core principles of value creation and shareholder returns, the Company will persistently enhance its intrinsic value by focusing on strengthening core business, expanding related industries, deepening innovation-driven development, and fulfilling social responsibilities. Concurrently, the Company will continue to refine corporate governance, steadily improve quality of information disclosure, and actively engage in investor relations management to strengthen market communication and value transmission. Furthermore, the Company will fully advance capital operation for A-share listing to facilitate valuation recovery.

## Management Discussion and Analysis

### (II) Securities Business

Looking ahead to 2026, which marks the inaugural year of the 15th Five-Year Plan, China's capital markets will continue to deepen reforms. The Group's securities business will benefit from sustained policy dividends, deeper application of financial technology, and expansion of cross-border financial services, while also facing challenges such as an uncertain global environment, tightening regulations, and intensifying competition. Zheshang Securities will conduct in-depth analysis of macroeconomic trends, adhere to the core focus of "stabilizing the foundation, expanding growth, and optimizing layout", and coordinate efforts to consolidate foundational businesses, achieve innovative breakthroughs in new businesses, and optimize overall business layout. Meanwhile, Zheshang Securities will focus on core businesses to build leading advantages in niche segments and deepen integration of technology with business operations. Zheshang Securities will strengthen synergies across business lines to enhance resource allocation efficiency and overall operational effectiveness, thereby establishing differentiated competitive advantages amid industry restructuring.

### HUMAN RESOURCES

In 2025, centering on the full lifecycle of talent recruitment, selection, development and retention, the Group focused its priorities on restructuring of performance appraisal and improvement of workforce efficiency, and drove the transition of its talent management from scale-based allocation to efficiency-driven management, with a view to consolidating the organizational foundation and infusing talent momentum for the Group's high-quality and sustainable development.

In terms of organizational management, focusing on the core elements including reform and innovation, strategic transformation and technology empowerment, the Group analyzed the existing talent structure and future talent demand, put forward key indicators, defined priority tasks, designed implementation roadmaps, and formulated the talent development action framework. With regard to talent structure, the Group adhered to targeted policy implementation, leveraged diversified channels to introduce highly sought-after scientific research and innovation talents and postdoctoral researchers in fields such as algorithm architecture and intelligent transportation, advanced development of research teams and upgrading of innovation platforms, and built a high-caliber talent system with clear hierarchies and orderly progression. For staff training, the Group conducted end-to-end tracking of the annual training plan. Focusing on emerging business segments including digital transformation as well as integration of transportation and energy integration, it established specialized capability enhancement programs and organized advanced training for targeted groups such as young key employees. In respect of staff incentives, focusing on the strategic directions of workforce efficiency improvement and innovation-driven development, the Group revised the performance appraisal measures and established a performance management mechanism with clear strategic orientation, prominent practical effectiveness and encouragement for innovation.

As at December 31, 2025, there were 11,680 employees within the Group, amongst whom 5,137 mainly worked in the related positions of the toll road operation business and 6,543 worked in the related positions of the securities business.



# Principal Risks and Uncertainties

## TOLL ROAD BUSINESS RISKS

### Economic environment

At present, the global economy has maintained its recovery momentum, yet its growth impetus remains weak. Geopolitical conflicts and trade frictions have continued to disrupt the global supply chains and industrial chains, and policy adjustments in major economies may also trigger new market fluctuations. Against this backdrop, China's economy has demonstrated strong resilience, but at the same time is facing pressures such as insufficient demand and the transition of old and new growth drivers. Factors such as fluctuations in economic operation, uncertainties in international trade, changes in resident consumption, industrial restructuring and shifts in policy orientation will be transmitted to the expressway industry through different channels. Given the close correlation between toll collection operations on expressways and the macroeconomic landscape, the performance of traffic volume and toll revenue on the Group's expressways is subject to risk of uncertainty.

### Roads Competition

The Group's expressways will be impacted by the change of traffic from surrounding road networks. Taizhou Section of YongTaiWen Expressway has implemented traffic control for reconstruction and expansion since July 2024, and is expected to have a continuous adverse effect on traffic volume of Shangsang Expressway of the Group. Hangzhou to Ningbo Section of Hangzhou-Shaoxing-Ningbo Expressway has fully opened to traffic since April 2025, and is expected to have a sustained diversionary effect on traffic volume of the Hangzhou-Ningbo Expressway operated by the Group. Suzhou-Taizhou Expressway (Phase II) has opened to traffic since July 2025, and is expected to have a continuous diversionary effect on traffic volume of Zhajiasu Expressway operated by the Group. Therefore, we cannot guarantee that traffic volume and toll revenue of the Group's expressways will not be adversely affected in the future.

### Toll Policy

The toll roads across the Zhejiang Province continue to implement a 5% discount on tolls for all vehicles with ETC devices; the 15% discount policy on tolls for Zhejiang ETC trucks, implemented since 2019 on state-controlled expressways within the Zhejiang Province, has been extended to all ETC trucks starting from April 25, 2025. Starting from January 1, 2024, Zhoushan Bay Bridge has adjusted the toll discount policy for international standard container transport vehicles from 75% off to 70% off.

## Principal Risks and Uncertainties

### SECURITIES BUSINESS RISKS

#### Market Fluctuations

The securities business is highly susceptible to market fluctuations and may experience periods of high volatility accompanied by reduced liquidity. It may be materially affected by economic and other factors such as the global market conditions; the availability and cost of capital; the liquidity of the global markets; the level and volatility of stock prices, commodity prices and interest rates; currency values and other market indices; inflation; natural disasters; acts of war or terrorism; as well as investor sentiment and confidence in the financial markets. There is no assurance as to whether our securities business will be adversely affected by fluctuations in the market, or whether our securities business will continue to contribute to our overall profit margin.

#### Regulation of the Securities Business

We are subject to extensive regulations in the PRC that govern how we conduct our securities business, and we are subject to risks of intervention by the PRC regulatory authorities. We could be fined, prohibited from engaging in some of our business activities or subject to limitations or conditions on our business activities, among other things. Significant regulatory actions against us could have material adverse impacts on our financial position, cause us significant reputational harm, or harm our business prospects. New laws, regulations or changes in the enforcement of existing laws or regulations applicable to our clients may also adversely affect our business.

### FINANCIAL RISKS

For financial risks and uncertainties of the Group, please see notes 5, 53 and 54 to the Consolidated Financial Statements.



## STATEMENT OF RESPONSIBILITY FROM THE DIRECTORS WITH RESPECT TO THE ANNUAL REPORT AND THE COMPANY'S ACCOUNTS

The Directors, whose names and functions are listed on pages 60 to 70, duly confirm that to the best of their knowledge:

- the consolidated financial statements prepared and subject to disclosure under the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants give a true and fair view of the assets, liabilities, financial position and profit of the Group, and cover the enterprises that have been consolidated into the Company; and
- the “Management Discussion and Analysis” section included in this annual report includes a fair review of the development and performance of the business and the position of the Group, covers the enterprises that have been consolidated into the Company and describes the principal risks and uncertainties faced by the Group.

During the Period and up to the date of this report, there has been no occurrence of significant events that would have a material impact on the normal operation of the Group.

By Order of the Board

**Tony ZHENG**

*Company Secretary*

Hangzhou, Zhejiang Province, the PRC

March 31, 2026

## Corporate Governance Report

### CORPORATE GOVERNANCE PRACTICES

To govern the daily functioning of the Board of Directors of the Company, the Company has adopted its own Guidelines on Corporate Governance that closely followed the principles of good Corporate Governance Code (“CG Code”) in Appendix C1 to the Listing Rules (available at [www.hkex.com.hk](http://www.hkex.com.hk)).

During the Period, the Company has complied with all code provisions set out in Part 2 of CG Code and adopted the recommended best practices in the CG Code as and when applicable. The Directors of the Company have been informed that the latest amendment to the Listing Rules and CG Code has been adopted and applied for the daily operation of the Company.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Rules on Securities Dealings for the Directors, senior management personnel and other employees of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules.

Upon specific inquiries to all the Directors, the Company’s Directors have confirmed their respective compliance with the required standards for securities transactions by Directors as set out in the Model Code and the Rules on Securities Dealings of the Company.

### BOARD OF DIRECTORS OF THE COMPANY (THE “BOARD”)

The Chairman of the Company during the Period was:

Mr. YUAN Yingjie

The executive Directors of the Company during the Period were:

Mr. LI Wei

Mr. WU Wei (Resigned, with effect from February 6, 2026)

The non-executive Directors of the Company during the Period were:

Mr. ZHAO Xilong (Appointed, with effect from December 19, 2025)

Mr. FAN Ye

Mr. HUANG Jianzhang

Mr. YANG Xudong (Resigned, with effect from December 19, 2025)

The independent non-executive Directors of the Company during the Period were:

Mr. PEI Ker-Wei

(serving as an Independent non-executive Director of the Company since 2012)

Ms. LEE Wai Tsang, Rosa

(serving as an Independent non-executive Director of the Company since 2014)

Mr. YU Mingyuan

(serving as an Independent non-executive Director of the Company since 2024)

Mr. ZHAO Xilong was appointed as a non-executive Director on December 19, 2025, obtained legal advice on December 4, 2025 pursuant to Rule 3.09D of the Listing Rules regarding all provisions applicable to him as a director of a listed issuer, as well as the potential consequences of making false statements or providing false information to the Hong Kong Stock Exchange, and has confirmed that he understands his responsibilities as a director of a listed issuer.

The Directors' biographies are set out in the section headed "Directors and Senior Management Profiles" of this annual report.

During the Period, the Board held a total of 13 meetings. During the Period, no Director failed to attend two consecutive Board meetings in person or by proxy. The Nomination Committee annually evaluates each Director's time commitment and contribution to the Board, as well as their ability to effectively fulfill their duties. Taking into full consideration Directors' other external commitments, the Nomination Committee believes all Directors have dedicated sufficient time to the Board, made positive contributions, and possess the capability to effectively perform their responsibilities. Individual attendances by the Directors (as indicated by the number of meetings attended/number of relevant meetings held during their tenure) are as follows:

	Attendance in person	Attendance by proxy	Attendance through communication
Mr. YUAN Yingjie (Chairman)	2/13	6/13	5/13
Mr. LI Wei	8/13		5/13
Mr. ZHAO Xilong		1/2	1/2
Mr. FAN Ye	4/13	4/13	5/13
Mr. HUANG Jianzhang	4/13	4/13	5/13
Mr. PEI Ker-Wei	7/13	1/13	5/13
Ms. LEE Wai Tsang, Rosa	8/13		5/13
Mr. YU Mingyuan	7/13	1/13	5/13
Mr. YANG Xudong (Resigned)	2/11	5/11	4/11
Mr. WU Wei (Resigned)	5/13	3/13	5/13

## Corporate Governance Report


During the Period, the Company held 3 shareholders' meetings. The meetings were chaired by the Chairman, and all executive Directors were present at the meetings. Meanwhile, the Company actively encouraged non-executive Directors and independent non-executive Directors to attend shareholders' meetings. Individual attendances by the Directors (as indicated by the number of meetings attended/number of relevant meetings held during their tenure) are as follows:

	Attendance
Mr. YUAN Yingjie (Chairman)	3/3
Mr. LI Wei	3/3
Mr. ZHAO Xilong	
Mr. FAN Ye	3/3
Mr. HUANG Jianzhang	3/3
Mr. PEI Ker-Wei	
Ms. LEE Wai Tsang, Rosa	
Mr. YU Mingyuan	
Mr. YANG Xudong (Resigned)	
Mr. WU Wei (Resigned)	3/3

The Board is charged with duties as well as given powers that are expressly specified in the Articles of Association of the Company, the scope of which mainly includes, amongst others: to determine the business plans and investment proposals of the Company; to formulate the Company's profit distribution plan and loss recovery plan; to formulate proposals for increasing or reducing the Company's registered capital and for issuing corporate bonds; to formulate proposals for major acquisitions, the repurchase of the Company's shares, or the merger, division, dissolution, or change of the Company's corporate form; appoint or remove the Company's general manager and, upon the nomination of the general manager, appoint or remove the deputy general managers, chief financial officer, company secretary, and other senior management members, and determine their remuneration as well as rewards and disciplinary matters.

To assist the Board to effectively discharge its duties, the Board has set up the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Strategic Committee.

Under the Corporate Governance, the Board plays a key role in all aspects and works closely with the management. While the Board fully retains its power to decide on matters within its scope of duties and powers, relevant preparation and drawing up of work plans or proposals are usually delegated to the management.



The Company has complied with the requirements under Rules 3.10(1), (2) and 3.10A of the Listing Rules regarding the appointment of independent non-executive Directors, with three independent non-executive Directors appointed, at least one of whom possessing the appropriate professional qualification or accounting or related financial management expertise and the number of independent non-executive Directors (three) appointed represents at least one-third of Board members of the Company (a total of nine).

Pursuant to paragraph 12B of Appendix D2 to the Listing Rules, the Company had specifically inquired with all three independent non-executive Directors and received their respective annual confirmation of independence. Each of the three independent non-executive Directors of the Company confirmed that they and their immediate family members had complied with the requirements of the guidelines regarding independence under Rule 3.13 of the Listing Rules during the Period. The Company continues to consider the independent non-executive Directors to be independent.

There were no financial, business, family or other material or relevant relationships between members of the Board, including that between the Chairman and the General Manager of the Company.

Each newly appointed Director would be provided with induction on the first occasion of his or her appointment, so as to ensure that he or she has appropriate understanding of the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Directors are also regularly updated on the Group's business and industry environments where appropriate in the management's monthly reports to the Board as well as briefings and materials circulated to the Board before a Board meeting.

During the Period, the Company arranged continuous professional training for all Directors to develop and update their knowledge and skills. Such training ensured that the Directors were fully aware of their responsibilities under the Listing Rules and other relevant regulatory requirements and were able to contribute to the Board with adequate and relevant information. The training, arranged with the assistance of the Company's legal advisers, covered topics including the responsibilities and duties of Directors of Main Board listed companies, business development, corporate governance, legal compliance and Directors' securities transactions. The main training methods included reading training materials. Each Director attended approximately 30 hours of training during the Period. Mr. ZHAO Xilong completed no less than 24 hours of training, meeting the training requirements for first-time appointed directors under Rule 3.09H.

The Company has formulated the "Rules of Procedure for the Board of Directors" and the "Procedure for Seeking Independent Professional Advice by Directors" to ensure that the Directors have the right and channels to seek independent professional advice. Meanwhile, the opinions of each Director are respected and the Directors are allowed to retain their individual opinions, thus helping the Board to obtain independent views and opinions. During the Period, the above mechanisms were implemented effectively.

## Corporate Governance Report

The Company will appoint an independent non-executive Director as Lead Independent non-executive Director as soon as practicable, in accordance with the recommendations on best practices under Part II of the Corporate Governance Code. The responsibilities of the Lead Independent non-executive Director will include: serving as a clear liaison between potential investors and existing Shareholders to facilitate communication between Directors and Shareholders; assisting in resolving disagreements between management and the Board; and providing guidance and support to other independent non-executive Directors.

### CHAIRMAN AND GENERAL MANAGER

During the Period, Mr. YUAN Yingjie served as the Chairman and Mr. WU Wei (resigned, with effect from February 6, 2026) served as the General Manager of the Company. The roles of Chairman and General Manager are fully segregated as expressly set out in the Articles of Association.

### NON-EXECUTIVE DIRECTORS

Terms for the non-executive Directors of current session of the Board started on July 1, 2024 and will expire on June 30, 2027.

### SPECIAL COMMITTEES UNDER THE BOARD

The Board has set up the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Strategic Committee. Roles and functions for each committee are specified in its terms of reference, details of which can be found under the “Corporate Governance” section on the Company’s website.

During the Period, the composition of each of the special committees of the Board is as follows:

The Audit Committee of the Company comprises of the three independent non-executive Directors and two non-executive Directors, namely Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa, Mr. YU Mingyuan, Mr. FAN Ye and Mr. HUANG Jianzhang, of whom Mr. PEI Ker-Wei serves as the chairman of the Audit Committee.

The Nomination Committee of the Company comprises of the Chairman of the Board, the three independent non-executive Directors and one non-executive Director, namely Mr. YUAN Yingjie, Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa, Mr. YU Mingyuan and Mr. FAN Ye, of whom Mr. YUAN Yingjie serves as the chairman of the Nomination Committee. The Nomination Committee includes one female Director (Ms. LEE Wai Tsang, Rosa), satisfying the mandatory disclosure requirement under Part I of the Corporate Governance Code for having at least one director of a different gender.

The Remuneration Committee of the Company comprises of the three independent non-executive Directors and two non-executive Directors, namely, Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa, Mr. YU Mingyuan, Mr. FAN Ye and Mr. HUANG Jianzhang, of whom Mr. PEI Ker-Wei serves as the chairman of the Remuneration Committee.

The Strategic Committee of the Company mainly comprises of the Chairman of the Board and the two executive Directors, namely Mr. YUAN Yingjie, Mr. WU Wei and Mr. LI Wei as well as Mr. Tony ZHENG, Ms. RUAN Liya and several outside experts and advisors, of whom Mr. YUAN Yingjie serves as the chairman of the Strategic Committee.

During the Period, the Audit Committee held a total of four meetings. Individual attendances by the members of the Audit Committee (as indicated by the number of meetings attended/number of meetings held during their tenure) are as follows:

	Attendance in person	Attendance by proxy	Attendance through communication
Mr. PEI Ker-Wei	4/4		
Ms. LEE Wai Tsang, Rosa	4/4		
Mr. YU Mingyuan	2/4	2/4	
Mr. FAN Ye	2/4	2/4	
Mr. HUANG Jianzhang	1/4	3/4	

At the meetings held during the Period, the Audit Committee reviewed financial statements for the quarterly, interim and annual results, and discussed the matters such as the internal audit, the effectiveness of internal control system and the improvement of total risk management of the Company and the effectiveness of the Company's internal audit function.

During the Period, the Nomination Committee held a total of one meeting. Individual attendances by the members of the Nomination Committee (as indicated by the number of meetings attended/number of meetings held during their tenure) are as follows:

	Attendance through communication
Mr. YUAN Yingjie	1/1
Mr. PEI Ker-Wei	1/1
Ms. LEE Wai Tsang, Rosa	1/1
Mr. YU Mingyuan	1/1
Mr. FAN Ye	1/1

## Corporate Governance Report

During the Period, the Nomination Committee discussed, considered and approved the nomination of Mr. ZHAO Xilong as a proposed candidate for a non-executive Director of the Company by way of telecommunication. Thereafter, the proposed candidate for non-executive Director was approved by the Board and the shareholders' meeting.

The Nomination Committee regularly reviews the structure, size, and composition of the Board, including the skills and experience of each director in areas such as finance, law, management, and industry expertise, thereby identifying the strengths and weaknesses of the Board's composition. The Nomination Committee has assessed the overall performance of the Board, covering aspects such as the Board's operational efficiency, member contributions, and diversity.


During the Period, the Remuneration Committee held a total of two meetings. Individual attendances by the members of the Remuneration Committee (as indicated by the number of meetings attended/number of meetings held during their tenure) are as follows:

	Attendance in person	Attendance by proxy	Attendance through communication
Mr. PEI Ker-Wei	1/2		1/2
Ms. LEE Wai Tsang, Rosa	1/2		1/2
Mr. YU Mingyuan	1/2		1/2
Mr. FAN Ye		1/2	1/2
Mr. HUANG Jianzhang	1/2		1/2

At the meetings held during the Period, the Remuneration Committee discussed and considered and approved the comprehensive performance evaluation and remuneration redemption plan for the Company's management for the year 2024, as well as matters relating to the term-based incentive scheme for members of the Company's management for the 2022–2024 term.

During the Period, the Strategic Committee did not hold any meeting.

The Board of the Company is responsible for developing and reviewing the Company's corporate governance policies and practices, and monitoring the Company's compliance with the CG Code and its disclosure in this report; the Board reviews and monitors the training and continuous professional development of Directors and senior management through the works of human resources department, and reviews and monitors the Company's policies and practices in relation to the compliance with legal and regulatory requirements through the works of the discipline inspection and supervision office and the Audit and Legal Department.



The Directors have all confirmed their responsibility for preparing the accounts, and that there were no significant uncertain events or conditions which would have a material impact on the Company's ability to continue to operate as a going concern.

## **DIVERSIFICATION OF BOARD MEMBERS**

During the Period, the Board reviewed the implementation of its Board Diversity Policy and concluded that the policy has effectively promoted the diversity of the Board's composition.

The Company believes that the diversification of Board members is one of the key elements to maintain the Company's competitive advantage, improve business performances, and promote the Company's continued development. When determining the composition of the Board, the Company takes into consideration a number of aspects to diversify the Board members, including but not limited to gender, age, culture, education background, professional experience, work and living background, knowledge and skills, etc..

The Board attaches great importance to female Directors, with the gender ratio of male and female members of 89% and 11% respectively, as at the end of the Reporting Period. The measurable target set by the Company is: to ensure that the proportion of female Directors remains at or above 10%. In the future, when suitable candidates become available, the Board will gradually increase the proportion of female Directors at an appropriate time.

The Company has established an employee diversity policy covering all staff members, including senior management. Under this policy, the Company will provide equal employment opportunities to employees of different genders, ages, ethnicities, religious beliefs, and cultural backgrounds. To achieve gender diversity among employees, the Company plans to consider gender balance factors in recruitment and provide equal career development opportunities for female employees. For information on the gender ratio of all employees (including senior management), please refer to the content of "Employee employment" in the "Society" section of the attached performance table of the Company's 2025 Environmental, Social and Governance Report.

The Board members have skills in multiple professional fields, such as accounting, finance, management, transportation and construction engineering, with related experience in different professional sectors. The diversified backgrounds of the Board are beneficial to the corporate governance, and related experiences satisfy the requirements for the Company's business development, which helps the Company to make important decisions. For the Board Skills Matrix, please refer to the section titled "Board Skills and Diversity" in Chapter 1 "Governance as the Foundation, Compliance for Long-term Development" of the Company's 2025 Environmental, Social and Governance Report.

## Corporate Governance Report

The age distribution of the Board members of the Company is between 41 and 69. The Board members with different age groups can provide diversified sight of views and opinions.

### **NOMINATION POLICY**

The Company's Nomination Committee is responsible for assessing the Board's structure, number of members and a diversified composition, introducing right talents when appropriate to enrich the Board and providing recommendation or suggestion on the candidates to serve as new Directors of the Company to the Board when needed. The assessment as well as recommendation or suggestion above would have fully taken into consideration any pros and cons to the diversification of Board members and new perspectives, skills, expertise and experience given to the Board. (Please refer to "the Terms of Reference for Nomination Committee" under the "Corporate Governance" section on the Company's website for details)

### **AUDITORS' REMUNERATION**

During the Period, the Company has paid approximately Rmb4.27 million and Rmb1.17 million respectively to Ernst & Young (the Hong Kong auditor) and RSM China CPA LLP (the PRC auditor) for audit services they provided.

### **SECRETARY TO THE BOARD**

During the Period, the Secretary to the Board was in charge of helping the Company to maintain a sound and effective corporate governance framework, reviewed risk management and internal control systems to ensure regulatory compliance, and provided compliance advice to the Board and senior management in the decision-making process. The Secretary to the Board also complied with the requirements of Rule 3.29 under the Listing Rules regarding undergoing relevant professional trainings.

## DIRECTORS, SUPERVISORS AND GENERAL MANAGER' S INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at December 31, 2025, none of the Directors, Supervisors and General Manager had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## INTERESTS AND SHORT POSITIONS OF OTHER PERSONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at December 31, 2025, the interests and short positions of other persons 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 the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange are set out below:

Substantial Shareholders	Capacity	Numbers held in domestic shares of the Company	Percentage of the issued domestic share capital of the Company
Communications Group <sup>(Note 1)</sup>	Beneficial Owner	4,014,778,800	100%

Note 1: Communications Group, through its wholly-owned subsidiary, Universal Cosmos Limited, indirectly holds 72,471,195 H Shares of the Company, representing 3.58% of the issued H Shares of the Company.

Substantial Shareholders	Capacity	Numbers held in H Shares of the Company	Percentage of the issued H Share capital of the Company
China Merchants Expressway	Beneficial Owner	363,914,280 (L)	18.39%
JP Morgan Chase & Co.	Interest of controlled corporations	148,328,222(L) 7,557,090(S) 83,583,409(P)	7.33% 0.37% 4.13%
BlackRock, Inc.	Interest of controlled corporations	141,257,015 (L) 11,050,000 (S)	6.98% 0.55%

The letter "L" denotes a long position. The letter "S" denotes a short position. The letter "P" denotes an interest in a lending pool.

## Corporate Governance Report

Save as disclosed above, as at December 31, 2025, no other persons had any interests or short positions in the shares or underlying shares of the Company that were required to be recorded pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

### SHAREHOLDERS' RIGHTS

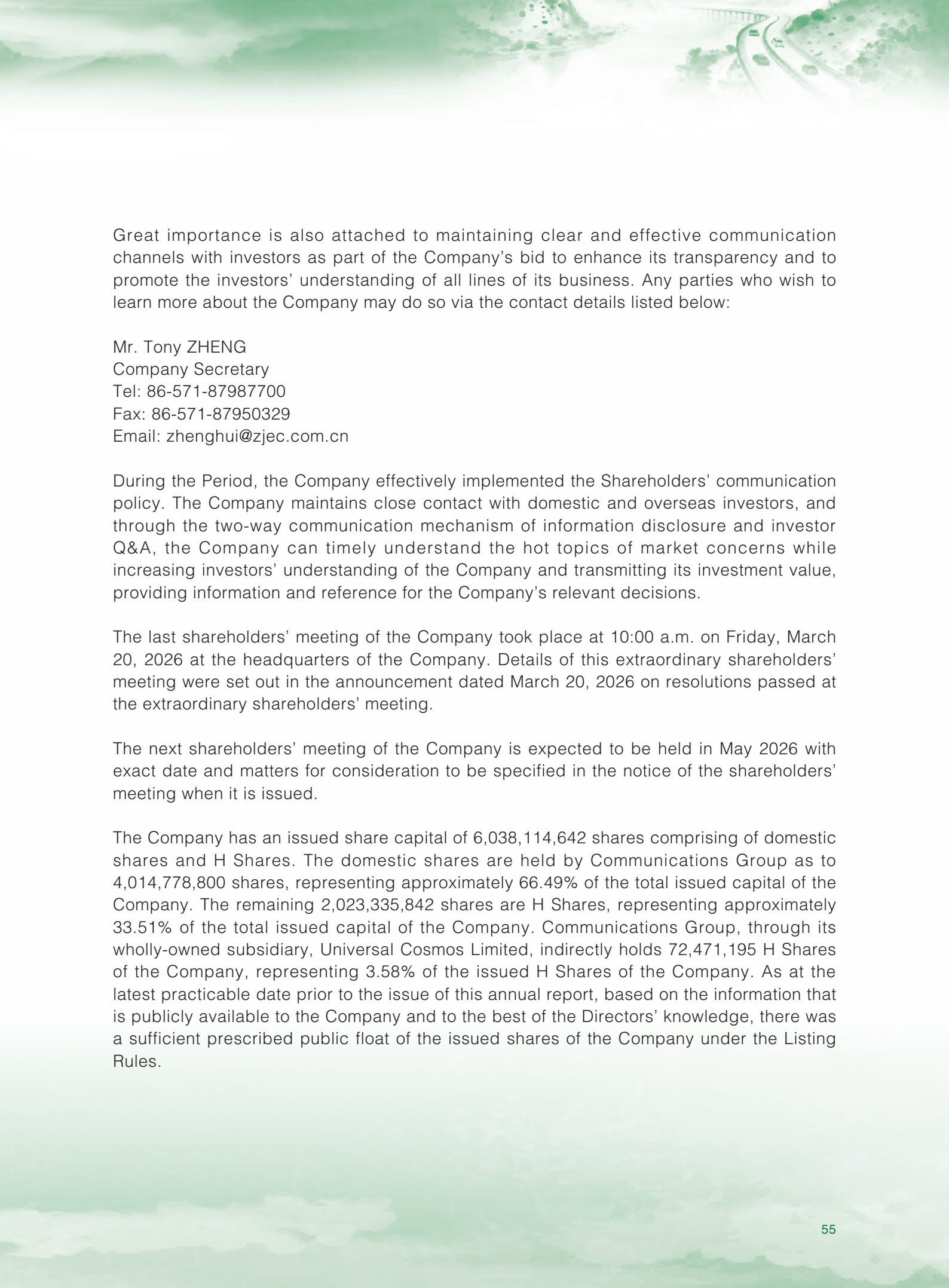
According to the Articles of Association of the Company, the Shareholders, alone or in aggregate, holding more than 1% of the shares of the Company can make a temporary proposal and submit the same in writing to the convener ten days prior to the date of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days upon the receipt of the proposal, announcing the contents of the temporary proposal and submit such temporary proposal to the shareholders' meeting for consideration. However, temporary proposals that violate the provisions of laws, administrative regulations or the Articles of Association, or that fall outside the scope of power of a shareholders' meeting, shall be excluded.

Shareholders who individually or collectively hold more than 10% of the Company's shares may request in writing to convene an extraordinary shareholders' meeting. Written requests, proposals and enquiries may be sent to the Company through the contact details listed on page 298 of this report.

### INVESTOR RELATIONS

The Board is committed to ensuring that all Shareholders and investors have equal and timely access to information about the Company so as to enable them to accurately assess the Company's fair value. Such information is available through multiple channels including financial reports, shareholders' meetings, regular and irregular announcements, the Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's own website ([www.zjec.com.cn](http://www.zjec.com.cn)).

During the Period, the Company's management engaged with Shareholders and investors through roadshows, investor meetings, conference calls, and other interactive channels, particularly following the release of financial results and announcements of major projects. Participants in these activities primarily included institutional investors, analysts, and research institutions. The Company maintains ongoing communication and follow-up with relevant Shareholders and investment institutions to ensure follow-through on the outcomes of these interactions.



Great importance is also attached to maintaining clear and effective communication channels with investors as part of the Company's bid to enhance its transparency and to promote the investors' understanding of all lines of its business. Any parties who wish to learn more about the Company may do so via the contact details listed below:

Mr. Tony ZHENG  
Company Secretary  
Tel: 86-571-87987700  
Fax: 86-571-87950329  
Email: zhenghui@zjec.com.cn

During the Period, the Company effectively implemented the Shareholders' communication policy. The Company maintains close contact with domestic and overseas investors, and through the two-way communication mechanism of information disclosure and investor Q&A, the Company can timely understand the hot topics of market concerns while increasing investors' understanding of the Company and transmitting its investment value, providing information and reference for the Company's relevant decisions.

The last shareholders' meeting of the Company took place at 10:00 a.m. on Friday, March 20, 2026 at the headquarters of the Company. Details of this extraordinary shareholders' meeting were set out in the announcement dated March 20, 2026 on resolutions passed at the extraordinary shareholders' meeting.

The next shareholders' meeting of the Company is expected to be held in May 2026 with exact date and matters for consideration to be specified in the notice of the shareholders' meeting when it is issued.

The Company has an issued share capital of 6,038,114,642 shares comprising of domestic shares and H Shares. The domestic shares are held by Communications Group as to 4,014,778,800 shares, representing approximately 66.49% of the total issued capital of the Company. The remaining 2,023,335,842 shares are H Shares, representing approximately 33.51% of the total issued capital of the Company. Communications Group, through its wholly-owned subsidiary, Universal Cosmos Limited, indirectly holds 72,471,195 H Shares of the Company, representing 3.58% of the issued H Shares of the Company. As at the latest practicable date prior to the issue of this annual report, based on the information that is publicly available to the Company and to the best of the Directors' knowledge, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.


## Corporate Governance Report

### DIVIDEND POLICY

The Company has been consistently attaching great importance to the return for those Shareholders who support the Company's development for a long term, by sharing its development results and maintaining a relatively stable dividend payout level. The purpose of the Company's dividend policy is to provide Shareholders with stable and sustainable returns while retaining sufficient capital to support the Company's business development and strategic objectives. According to the Company's "Shareholders' Return Plan for the Next Three Years (2023–2025) (《未來三年(2023–2025年)股東回報規劃》)", and subject to compliance with relevant laws and regulations and other regulatory documents, the dividends for the years from 2023 to 2025 shall not be less than 75% of the distributable profits realized for the year (whichever is lower in the statements prepared under China Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards). During the Period, the dividend payout accounted for approximately 75.3% of the distributable profits realized for the year. Details of the dividend payout will be announced after the 2025 annual shareholders' meeting of the Company.

In addition, according to the "Shareholders' Dividend Return Plan for the Three Years after the Issuance of A Shares and Absorption and Merger Through Share Swap with Zhejiang Océanking Development Co., Ltd." (《發行A股股票換股吸收合併浙江鎮洋發展股份有限公司後三年股東分紅回報規劃》) approved at the extraordinary shareholders' meeting of the Company on March 20, 2026, subject to compliance with the principles of profit distribution and satisfaction of the conditions for cash dividends, the aggregate profits distributed by the Company in cash in the most recent three years shall not be less than 30% of the average annual distributable profits realized in the most recent three years. Meanwhile, within the three years from the year of completion of the transaction (inclusive of the year of completion), subject to compliance with the relevant provisions of laws, regulations and regulatory rules in relation to cash dividends and in the absence of material adverse factors or force majeure, the annual cash dividend of the Company shall not be less than Rmb0.41 per share. In the event of ex-rights adjustments such as the distribution of share dividends, capitalisation of capital reserve into share capital, rights issue, etc., the above cash dividend will be adjusted accordingly. The aforesaid dividend per share represents approximately 44.7% of the Company's basic earnings per share for 2024. The aforesaid plan shall take effect from the date on which the A Shares of the Company are listed on the Main Board of the Shanghai Stock Exchange.

The purpose of formulating the aforesaid dividend distribution plan was to clarify the investment return to Shareholders for the three years subsequent to the listing of the Company's A shares, enhance the transparency and operability of dividend distribution decisions, actively reward investors, guide investors to establish a philosophy of long-term and rational investment, and protect the legitimate rights and interests of investors.



The principal factors considered by the Board when determining whether to declare, recommend or pay any dividend included the return requirements and expectations of Shareholders, the Company's strategic development plan and its actual development stage, financial and cash flow conditions, social capital costs, and the external financing environment, among others.

Dividend decisions made by the Board were in line with the Company's existing dividend policy.

## **RISK MANAGEMENT, INTERNAL CONTROL AND LEGAL CONSTRUCTION**

The Company has an internal control system that aims to protect assets, preserve accounting and financial information, as well as to ensure the truthfulness of financial statements, including the establishment of functional departments and units, defining duties and responsibilities, the execution of management systems and quality control mechanisms, and the management system on environment, occupational health and safety. With the system, the Company is capable of taking necessary steps to react to possible changes in its businesses as well as external operating environment. Throughout the operating process, the Company's internal control measures are being continuously enhanced, fulfilled and are deemed effective.

The Company has established an anti-corruption and whistle blowing policy. For details, please refer to "Bribery and Anti-Corruption Policy and Programs" and "Whistleblower Protection" in Chapter 1 "Governance as the Foundation, Compliance for Long-term Development" of the Company's 2025 Environmental, Social and Governance Report.

The Company attaches great importance to risk management, by perfecting its risk management mechanism and relevant regulations, improving risk reporting mechanism, and refining its risk management manual. It also assigns the responsibilities for risk management to all branches and departments, conducts risk investigation and assessment, as well as develops risk mitigation plans and takes risk control measures in response to major risks faced by the Company.

## Corporate Governance Report

The Company's Audit Committee is charged with the duties of monitoring and reviewing internal controls, and directs monitoring activities. Aside from reviewing the annual audit reports by external auditors, the committee also reviews the effectiveness of internal control system and risk management mechanism by reviewing the internal special audit and risk investigation on the Company's core businesses conducted by the Company's Audit and Legal Department on a regular basis. During the Period, the Audit Committee focused on the use of safety funds and operating businesses management of the Company. The Audit and Legal Department carried out specific audit into these issues and monitored rectifications thereof, thus ensuring the effective functioning of the Company's management systems.

The Board is responsible for the risk management and internal control systems and reviews their effectiveness, ensuring that the risk management and internal control systems are reviewed at least once a year. During the Period, the Directors carried out a review on the effectiveness of the Company's internal control system, covering all material aspects of internal control, including financial control, operational control, compliance control and risk management functions. The internal control system of the Company was deemed to be effective and sufficient, and there were no material breaches in the internal control system that might have an impact to Shareholders' rights and interests. The risk management of the Company was deemed to be effective and controllable. The risk management and internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and reasonable but no absolute assurance can be provided against material misstatement.

The Board regularly listened to the Company's rule of legal construction, endeavored to promote the integration of legal corporate governance into the Company's operation and development objectives, and led the implementation of various compliance work and special administration to ensure the legality and compliance of the Company's operation and management.

### **DISCLOSURE OF INSIDE INFORMATION**

The Company has developed a disclosure policy to provide a general guide to its Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access to and use of inside information are strictly prohibited.



## **CHANGES IN THE ARTICLES OF ASSOCIATION**

During the Period, the Company amended its Articles of Association three times. For details, please refer to the announcements of the Company dated January 22, 2025, September 2, 2025 and November 28, 2025 respectively in relation to the proposed amendments to the Articles of Association, and the approval of the resolution in relation to the amendments to the Articles of Association at the shareholders' meetings held on April 25, 2025, September 17, 2025 and December 19, 2025 respectively. The Articles of Association which came into effect after such amendments were published on the website of the Hong Kong Stock Exchange.

## **MANAGEMENT FUNCTIONS**

The management functions of the Board and the management are expressly stipulated in the Articles of Association of the Company. Pursuant to the Articles of Association of the Company, the management of the Company is assigned the functions to be in charge of the production and business operation of the Company, to organize the execution of resolutions of the Board, to procure the implementation of annual business plans and investment programs of the Company, to develop plans for the establishment of internal management structure of the Company, to prepare the basic management systems of the Company, and to formulate basic rules and regulations of the Company, etc.

## **SIGNIFICANT EVENTS OCCURRED AFTER THE END OF THE FINANCIAL YEAR**

Since the end of the Period, there has not been any significant event that would have a material impact on the Company.

## Directors and Senior Management Profiles

### DIRECTORS

**Mr. YUAN Yingjie**

**Chairman**



Born in 1976, is a senior engineer. He obtained a Bachelor's Degree of Engineering in Highways and Urban Roads from Xi'an University of Expressway Traffics, and both Master's and Doctoral Degrees of Engineering in Roads and Railways Engineering from Chang'an University.

Since 2004, Mr. Yuan has worked in Zhejiang Highway Management Bureau and Zhejiang Department of Transportation. From 2014, he was Deputy Director of Construction Management Office of Zhejiang Department of Transportation. From 2017, he was Deputy Director of Chief Engineer Office of Communications Group. From 2018, he was Deputy General Manager of the Expressway Construction Department, Deputy General Manager and General Manager of the Expressway Management Department of Communications Group. Since May 2022, he is a Deputy General Manager and a Party Committee Member of Communications Group.

Mr. Yuan has served as a Director of the Company since 2020 and is currently the Chairman of the Company.

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**Ms. LIU Yiying**

**Employee Director**



Born in 1982, is a senior economist. She obtained a Bachelor's Degree in Economics from Zhejiang University and a Master's Degree in Science from The Hong Kong Polytechnic University.

Ms. Liu started her career in July 2005, and served as Assistant General Manager of the Human Resources Department, Assistant Head of the Organization Department & Human Resources Department, and Deputy Director of the training center of Communications Group; Deputy Party Secretary, Secretary of the Discipline Committee, and Chairman of the Labor Union of Zhejiang Communications Investment Expressway Operation and Management Co., Ltd..

Ms. Liu has served as Employee Director of the Company since 2026. She currently also serves as Deputy Secretary of the Party Committee, Secretary of the Discipline Committee and Chairman of Labor Union of the Company.

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## Mr. LI Wei

### Executive Director



Born in 1969, is a senior engineer. He graduated from Lanzhou Jiaotong University with a Bachelor's Degree in Engineering. Mr. Li studied Logistics Management at Dresden University of Technology in Germany from 2004 to 2005.

Mr. Li started his career in July 1991, and served as Deputy Director of Jinhua Management Office of Zhejiang JinLiWen Expressway Co., Ltd. and Director of the General Office, Vice Chairman of Labor Union, Deputy General Manager and Party Committee Member of Zhejiang JinLiWen Expressway Co., Ltd.. He also worked as Deputy General Manager and Party Committee Member in Zhejiang ShenSuZheWan Expressway Co., Ltd., and Deputy General Manager for each of Zhejiang ShenJiaHuHang Expressway Co., Ltd., Zhejiang Communications Investment Logistics Group Co., Ltd., Zhejiang Ningbo YongTaiWen Expressway Co., Ltd., Zhejiang Taizhou YongTaiWen Expressway Co., Ltd., Zhejiang Zhoushan Bay Bridge Co., Ltd. and Zhejiang Zhoushan Northbound Expressway Co., Ltd..

Mr. Li has served as an Executive Director of the Company since 2023, served as the Acting General Manager of the Company from February to March 2026 and is currently also the Deputy General Manager and a Party Committee Member of the Company.

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## Mr. WU Wei

### Executive Director



Born in 1969, is a professorial senior engineer with a Bachelor's Degree.

Mr. Wu started his career in July 1991. He served as Deputy General Manager and General Party Branch Secretary of Zhejiang Communications Construction Group Third Communications Construction Co., Ltd.; General Manager of Zhejiang Communications Construction Group Third Communications Construction Co., Ltd.; Deputy General Manager and Party Committee Member of Zhejiang Communications Construction Group Co., Ltd. (浙江省交通工程建設集團有限公司); Director, General Manager and Party Committee Member of Zhejiang Communications Construction Group Co., Ltd.; Director, General Manager and Deputy Party Secretary of Zhejiang Communications Construction Group Co., Ltd. (浙江交工集團股份有限公司, formerly known as 浙江省交通工程建設集團有限公司); Chairman and Party Secretary of Zhejiang Communications Resources Investment Co., Ltd.; Chairman and Party Secretary of Zhejiang Communications Technology Co., Ltd. (stock code: 002061.SZ); Chairman and Party Secretary of Zhejiang Communications Construction Group Co., Ltd..

Mr. Wu ceased to serve as an Executive Director of the Company, General Manager, and Party Secretary of the Company in February 2026.

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## Directors and Senior Management Profiles

### Mr. ZHAO Xilong

#### Non-executive Director



Born in 1985, is an economist. He graduated from Chang'an University with a Master's Degree in transportation planning and management.

Mr. Zhao held positions as Assistant General Manager and Deputy General Manager of the Investment and Development Department of China Merchants Expressway (Stock code: 001965.SZ), Deputy General Manager of the Investment and Development Department of China Merchants Investment Development Co., Ltd., Deputy General Manager of Jiaxing Highway Construction Investment Co., Ltd.. Currently, he serves as General Manager of the Investment and Development Department of China Merchants Expressway. Mr. Zhao also holds positions as Director and Deputy General Manager of Henan Yuexiu Pinglin Expressway Co., Ltd., Director of Jiaxing Zhajiasu Expressway Co., Ltd., Director of Langfang Jiaofa Expressway Development Co., Ltd., Director of Langfang Jingtai Expressway Co., Ltd., Director of Yunnan Kunyu Expressway Development Co., Ltd., Chairman of Zhejiang Zhijiang Communications Holdings Co., Ltd., Director of Road King (China) Infrastructure Co., Ltd., Director of Hebei Baojin Expressway Co., Ltd., Director of Jinzhong Longcheng Expressway Co., Ltd., Director and General Manager of China Merchants Expressway Equity Investment Fund Management (Tianjin) Co., Ltd. and China Merchants Ping An Infrastructure Phase I Equity Investment Fund (Tianjin) Co., Ltd., and Director of Cornerstone Holdings Limited., Director of Zhejiang Shangsang Expressway Co., Ltd., Vice Chairman of Hunan Yonglan Expressway Co., Ltd., and Supervisor of Hunan Changyi Expressway Co., Ltd..

Mr. Zhao has served as a Non-executive Director of the Company since 2025.

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### Mr. FAN Ye

#### Non-executive Director



Born in 1982, is an economist. He graduated from Zhejiang University with a Doctoral Degree in Economy.

Mr. Fan served at the Investment Development Department of Zhejiang Economy Construction Investment Co., Ltd. in 2010. In 2013, he served at the Railway Transportation Department of Zhejiang Economy Construction Investment Co., Ltd., and served as Assistant General Manager, General Manager of the New Industry Department of CSR Hangzhou Rail Transit Co., Ltd. In 2014, Mr. Fan served as Deputy General Manager of Zhejiang Economy Construction Investment Co., Ltd., and in 2018 he served as Deputy General Manager of Zhejiang Jiaotou Real Estate Group Co., Ltd.. In 2020, he served as General Manager of the Industrial Investment Management Department (I) of Communications Group. Mr. Fan is currently the General Manager of the Strategic Development Department of Communications Group.

Mr. Fan has served as a Non-executive Director of the Company since 2020.

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## Mr. HUANG Jianzhang

### Non-executive Director



Born in 1980, is a senior economist. He graduated from Zhejiang University majoring in Business Management with a Master's Degree in Management.

Mr. Huang began work in March 2005. He served as Deputy General Manager of Juhua Holdings Co., Ltd.; Manager of the Securities Department of Zhejiang Juhua Co., Ltd. (Stock code: 600160.SH); Assistant Director and Deputy Director of the Secretarial Office to the Board of the Company; Deputy Manager (in charge of the work) and Manager of the Investment and Development Department of the Company. Mr. Huang is currently the Deputy General Manager of the Strategic Development Department of Communications Group.

Mr. Huang has served as a Non-executive Director of the Company since 2021.

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## Mr. YANG Xudong

### Non-executive Director



Born in 1973, is a senior engineer. He graduated from Highway School of Chang'an University with a Doctoral Degree in Road and Railway Engineering.

Mr. Yang served as Deputy General Manager of China Merchants Expressway (Stock code: 001965.SZ), Chairman of China Merchants & China Railway Holdings Co., Ltd., Guangxi Huatong Expressway Co., Ltd., Guangxi Guiwu Expressway Guiyang Section Investment Construction Co., Ltd., Guangxi Guixing Expressway Investment Construction Co., Ltd. and Guilin Harbour Construction Expressway Co., Ltd.. He is currently the Director and General Manager of China Merchants Expressway. Mr. Yang also serves as Deputy Chairman of Guangxi Wuzhou Communications Co., Ltd. (Stock code: 600368.SH), Director of Anhui Expressway Co., Ltd. (Stock code: 00995.HK.).

Mr. Yang ceased to be a Non-executive Director of the Company in December 2025.

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## Directors and Senior Management Profiles

### Mr. PEI Ker-Wei

#### Independent Non-executive Director



Born in 1957, is a Professor Emeritus in Accounting at the School of Accountancy at the W. P. Carey School of Business-Arizona State University. Mr. Pei received his Doctoral Degree in Accounting from University of North Texas in 1986.

Mr. Pei served as the Chairman of the Globalization Committee of the American Accounting Association in 1997 and as the President of the Chinese Accounting Professors Association – North America from 1993 to 1994. Mr. Pei currently also serves as an Independent Director of Want Want China Holdings Limited (Stock code: 00151.HK), Zhong An Group Limited (Stock code: 00672.HK) and AIM Vaccine Co., Ltd. (Stock code: 06660.HK).

Mr. Pei has served as an Independent Non-executive Director of the Company since 2012.

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### Ms. LEE Wai Tsang, Rosa

#### Independent Non-executive Director



Born in 1977, has over 24 years of experience in the financial sector and is a licensed person for asset management under the Securities and Futures Ordinance (“SFO”). She holds a Master of Science in Finance from Boston College and an MBA from University of Chicago.

Ms. Lee was an Executive Director of Grand Investment International Ltd. (stock code: 01160.HK) from 2005 to 2018 and was appointed as its Chairman from 2013 to 2017. Ms. Lee also served as a Director of Grand Finance Group Company Ltd. from 2005 to 2019 and Chief Investment Officer of Grand Capital Holdings Co Ltd. from 2019 to 2023.

Ms. Lee is currently a Director of Grand Investment (Bullion) Ltd., Tianjin Yishang Friendship Holdings Company Ltd. and Chief Investment Officer of Xin Yongan International Financial Holdings Ltd..

Ms. Lee has served as an Independent Non-executive Director of the Company since 2014.

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## Mr. YU Mingyuan

### Independent Non-executive Director



Born in 1962, graduated from Tongji University in 1984.

Mr. Yu is currently a member of the Academic Committee and Secondary Researcher of the Research Institute of Highway Ministry of Transport, and is an expert entitled to special allowance from the State Council, and served as the Director of the Highway Transportation Development Research Centre. Mr. Yu has long been engaged in transportation policy and strategy research, with outstanding achievements in the research fields of toll roads policy and system innovation, deepening taxi industry reform, road management system reform and investment and financing, green transport and shared travel, as well as relevant regulations of road transport, etc. Mr. Yu has led more than 40 national, provincial and ministerial scientific research projects, ministerial-level major special research as well as formulation and revision of policies and regulations for many times, and has been frequently invited to provide analysis of national and industry policies related to transport in CCTV and other mainstream media. Mr. Yu is currently an expert of the national science and technology progress award expert database, an academican of the Chinese Academy of Sciences, a high-level talent of China Association for Science and Technology, an expert of the Ministry of Transport expert database, and an expert of the Ministry of Finance PPP expert database. Mr. Yu is currently also an Independent Director of Guangdong Provincial Expressway Development Co. Ltd. (Stock code: 000429.SZ) Ltd. and Hubei Chutian Smart Communication Co., Ltd. (Stock code: 600035.SH).

Mr. Yu has served as an Independent Non-executive Director of the Company since 2024.

## Directors and Senior Management Profiles

### OTHER MEMBERS OF SENIOR MANAGEMENT

#### Mr. WANG Qiming



Born in 1973, is a senior engineer and a senior economist with a Master's Degree.

Mr. Wang started his career in September 1992. Mr. Wang served as Deputy Director of the General Office and Member of the Leading Party Members' Group of Jiaying Municipal People's Government; Deputy Director of Jiaying Port Area Development and Construction Administrative Committee; Director of the General Office and Director of the Party Committee Work Department of Communications Group; Director and General Manager of Zhejiang Touden Port Investment and Development Co., Ltd.; Director, General Manager and Deputy Party Secretary of Zhejiang Communications Investment Asset Management Co., Ltd. and Zhejiang HangShaoYong Expressway Co., Ltd.; General Manager of Zhejiang Zhoushan North Channel Co., Ltd.; Director, General Manager and Party Secretary of Zhejiang Yangtze River Delta Investment Co., Ltd.; and Director, General Manager and Deputy Party Secretary of Zhejiang Communications Investment Expressway Operation Management Co., Ltd..

Mr. Wang has served the Company since 2026 and is currently the General Manager and Deputy Party Secretary of the Company.

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#### Mr. GE Weimin



Born in 1970, is a professor senior engineer with a Bachelor's Degree in transportation engineering from Changsha Jiaotong University.

Mr. Ge started his career in August 1991, and he served as Assistant General Manager, Chief Engineer, Deputy General Manager and Member of the Party Committee of Zhejiang Taizhou Yongtaiwen Expressway Co., Ltd.; Deputy General Manager of Zhejiang Zhoushan North Channel Co., Ltd; Deputy General Manager and Party Committee Member of Zhejiang Hangshaoyong Expressway Co., Ltd.; Deputy General Manager and Party Committee Member of Hangzhou Urban Expressway Co., Ltd.; Deputy General Manager and Party Committee Member of Zhejiang Communications Investment Expressway Operation Management Co., Ltd..

Mr. Ge has served the Company since 2026 and is currently the Deputy General Manager and Party Committee Member of the Company.

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### Mr. WU Xiangyang



Born in 1972, is a professor-level senior engineer, having a Master's Degree in engineering from Chang'an University and a Bachelor's Degree in engineering from Harbin University of Civil Engineering and Architecture.

Mr. Wu started his career in 1996, and served as Assistant Manager of the Project Maintenance Department and Assistant General Manager of the Traffic Operation Management Department of Communications Group, Deputy Chief Commissioner of Hangzhou Regional Construction Commission, Hangzhou-Shaoxing Sectional Construction Commission for West Parallel Expressway of Hangzhou Ring Road, Lin'an-Jiande Sectional Construction Commission of Lin'an-Jinhua Expressway and Construction Commission of Zhejiang Jiande-Jinhua Expressway. He also served as Deputy General Manager and Party Committee Member in Hangzhou City Urban Expressway Co., Ltd., and Deputy General Manager in Zhejiang LinJin Expressway Co., Ltd. and Zhejiang HangXuan Expressway Co., Ltd..

Mr. Wu has served the Company since 2020 and is currently the Deputy General Manager and Party Committee Member of the Company.

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### Mr. ZHAO Dongquan



Born in 1972, is a senior engineer, having a Bachelor's Degree in Civil Engineering from Zhejiang University of Technology.

Mr. Zhao started his career in August 1993, and served as Director of the Engineering Department of Xiaoshan Headquarter of Hangzhou-Jinhua-Quzhou Expressway, Deputy Director of the Hangzhou-Shaoxing Administrative Office at Hangjinqi Branch of Communications Group, Deputy Chief Commissioner of Hangzhou-Shaoxing Sectional of Hangzhou-Jinhua-Quzhou Expressway Widening Project Commission, Director of the Supervision and Executive Center at Hangjinqi Branch, Deputy General Manager of the Traffic Operation Management Department and Deputy General Manager of Management Department of Communications Group.

Mr. Zhao has served the Company since 2022 and is currently the Deputy General Manager and Party Committee Member of the Company.

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## Directors and Senior Management Profiles

**Ms. RUAN Liya**



Born in 1983, is a senior economist. She graduated from Zhejiang University with a Master's Degree in Science.

Ms. Ruan started her career in 2007, and served as Investment Supervisor of Zhejiang Jinji Real Estate Co., Ltd.. She also worked in Communications Group as Director and Assistant Manager of Investment Development Department, as well as Assistant General Manager and Deputy General Manager of Strategic Development and Legal Affairs Department.

Ms. Ruan has served the Company since 2020 and is currently the Deputy General Manager and Party Committee Member of the Company.

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**Mr. WANG Lijian**



Born in 1980, is a senior engineer. He graduated from Harbin Institute of Technology with a Master's Degree in Engineering.

Mr. Wang started his career in 2005 and had been the Director of the Heshan Office of the Foshan-kaiping Expressway Renovation and Expansion Project Management Office of Guangdong Expressway Co., Ltd.; the Supervisor of the Engineering and Maintenance Department, the Supervisor of the Traffic Operation and Management Department and the Supervisor of the Expressway Management Department of Zhejiang Communications Investment Group Co., Ltd..

Mr. Wang has served the Company since 2020 and was the Party Secretary and General Manager of Hangzhou North Management Centre. He is currently the Deputy General Manager and Party Committee Member of the Company.

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**Mr. JIANG Libiao**

**Chief Financial Officer**



Born in 1971, is a senior accountant. He graduated from Xi'an Jiaotong University majoring in accounting.

Mr. Jiang started his career in 1993 and has served as Manager and Assistant to the General Manager of the Planning and Finance Department of Taizhou YongTaiWen Expressway Co., Ltd. and Zhejiang Taijin Expressway Co., Ltd.; Assistant to the General Manager and Deputy General Manager of the Finance Department of Zhejiang Communications Investment Group Co., Ltd.; and Chief Financial Officer of HangShaoTai Railway Co., Ltd..

Mr. Jiang has served the Company since 2024 and is currently the Chief Financial Officer and Party Committee Member of the Company.

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**Mr. Tony H. ZHENG**

**Secretary to the Board**



Born in 1969, graduated from University of California at Berkeley with a Bachelor of Science Degree in Civil Engineering in 1995.

Mr. Zheng has joined the Company since June 1997, and served as Deputy Director of the Secretarial Office to the Board, Assistant Company Secretary, Director of the Secretarial Office to the Board, Director of Hong Kong Representative Office and Deputy General Manager of the Company.

Mr. Zheng is currently a Senior Expert and Secretary to the Board of the Company. He also serves as a Director of Zhejiang Expressway International (Hong Kong) Co., Ltd..

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## Directors and Senior Management Profiles

**Mr. HAN Jinghua**

**Chairman of Labor Union**



Born in 1979, is an economist. He graduated from the School of Management at Zhejiang University majoring in economics and management with a Master's Degree in Management.

Mr. Han started his career in July 2006 and served as the Secretary to the General Office of Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd., and joined Communications Group in April 2010, successively served as Assistant Director, Deputy Director of the Secretarial Office to the Board, Deputy Director of the General Office, Director of the Secretarial Office to the Board, etc.

Mr. Han ceased to be the Deputy Secretary of the Party Committee, the Secretary of the Discipline Committee and the Chairman of Labor Union of the Company in January 2025.

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# Report of the Directors

The Directors of the Company hereby present their report and the audited financial statements of the Group for the year ended December 31, 2025.

## PRINCIPAL ACTIVITIES

The principal activities of the Group comprise the operation, management of high grade roads, as well as provision of security broking service and proprietary securities trading.

## BUSINESS REVIEW

A review of the business of the Group and analysis of the Group's performance using key performance indicators is provided in the section headed "Management Discussion and Analysis" of this annual report.

In addition, discussions on the Group's environmental policies and performance and an account of the Group's key relationships with its employees, customers, suppliers and others that have a significant impact on the Group and on which the Group's success depends are provided in the Company's 2025 Environmental, Social and Governance Report.

## SEGMENT INFORMATION

During the Period, the entire revenue and segment profit of the Group were derived from the PRC. Accordingly, no further analysis of the revenue and segment profit by geographical area is presented. An analysis of the Group's revenue and segment profit by principal activities for the year ended December 31, 2025 is set out in note 7 to the financial statements.

## RESULTS AND DIVIDENDS

The Group's profit for the year ended December 31, 2025 and the state of financial position at that date are set out in the financial statements on pages 117 to 298.

The Directors have recommended the payment of a dividend of Rmb0.395 (approximately HK\$0.449) per share in the year of 2025. The final dividend is subject to shareholders' approval at the 2025 annual general meeting of the Company and is expected to be paid no later than July 3, 2026. This recommendation has been incorporated in the financial statements as an allocation of retained earnings within the capital and reserves section in the consolidated statement of financial position. The dividend payout ratio reached 44.8% of profit attributable to owners of the Company during the Period. Further details of the dividends are set out in note 16 to the financial statements.

## Report of the Directors

### FIVE YEAR SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated results, and of the assets, liabilities and non-controlling interests of the Group prepared on the basis set out in the notes below.

Results	2025 Rmb'000	Year ended December 31,			
		2024 Rmb'000	2023 Rmb'000	2022 Rmb'000 (Restated)	2021 Rmb'000 (Restated)
Revenue	19,755,490	18,064,824	16,965,024	15,331,777	16,641,414
Operating costs	(12,980,298)	(10,812,360)	(9,765,685)	(9,365,125)	(10,069,473)
Gross profit	6,775,192	7,252,464	7,199,339	5,966,652	6,571,941
Securities investment gains	2,819,166	1,735,120	1,024,960	679,734	1,835,563
Other income and gains and losses	802,333	889,145	907,870	2,102,751	741,549
Administrative expenses	(146,934)	(160,894)	(183,981)	(177,405)	(178,197)
Other expenses and impairment losses	(237,275)	(186,743)	(155,814)	(137,134)	(63,521)
Share of profit of associates	1,175,713	939,399	1,056,247	752,086	966,075
Share of profit of joint ventures	148,298	130,742	107,046	49,771	56,249
Finance costs	(1,546,906)	(1,741,651)	(2,104,129)	(1,894,394)	(2,075,477)
Profit before tax	9,789,587	8,857,582	7,851,538	7,342,061	7,854,182
Income tax expense	(1,926,050)	(1,701,104)	(1,229,208)	(1,039,051)	(1,873,961)
Profit for the year	7,863,537	7,156,478	6,622,330	6,303,010	5,980,221
Profit for the year attributable to owners of the Company	5,324,958	5,501,588	5,223,679	5,178,666	4,452,488
Profit for the year attributable to non-controlling interests	2,538,579	1,654,890	1,398,651	1,124,344	1,527,733
Earnings per share					
Basic (Rmb cents)	88.62	91.79	112.95	113.72	97.78
Diluted (Rmb cents)	88.62	90.50	105.32	108.33	91.54

Results	2025 Rmb'000	As at December 31,			
		2024 Rmb'000	2023 Rmb'000	2022 Rmb'000 (Restated)	2021 Rmb'000 (Restated)
Total assets	293,412,909	217,182,367	207,733,802	190,861,414	181,076,203
Total liabilities	200,363,575	143,484,003	147,328,689	141,561,200	137,362,426
Net assets	93,049,334	73,698,364	60,405,113	49,300,214	43,713,777



Notes:

1. The consolidated results of the Group for the four years ended December 31, 2024 have been abstracted from the Company's 2024 annual report on March 24, 2025, while those for the year ended December 31, 2025 were prepared based on the consolidated statement of profit or loss and other comprehensive income as set out on page 117 of the financial report.
2. The 2025 basic earnings per share is based on the profit attributable to owners of the Company for the year ended December 31, 2025 of Rmb5,324,958,000 (2024: Rmb5,501,588,000) and the 6,008,748,000 (2024: 5,993,568,000) ordinary shares (weighted average calculation) in issue during the year.
3. During the year 2025, the remaining convertible bonds were fully converted, therefore there is no further diluted effect in the calculation of diluted earnings per share.

## **MAJOR CUSTOMERS AND SUPPLIERS**

In the year under review, the five largest customers and suppliers of the Group accounted for less than 30% of the total turnover and purchases, respectively. The largest customer accounted for approximately 1.2% of total turnover, the largest supplier accounted for approximately 3.5% of total purchases.

None of the Directors of the Company or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

## **DONATION**

During the Period, the total amount of donation made by the Group is Rmb13,234,000 for charitable or other purposes.

## **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in property, plant and equipment of the Group during the Period are set out in note 18 to the financial statements.

## **CAPITAL COMMITMENTS**

Details of the capital commitments of the Group as at December 31, 2025 are set out in note 52 to the financial statements.

## Report of the Directors

### RESERVES

Details of movements in the reserves of the Group during the Period are set out in the consolidated statement of changes in equity on page 121 to the financial statements.

### DISTRIBUTABLE RESERVES

As at December 31, 2025, before the proposed final dividend, the Company's reserves available for distribution by way of cash or in kind, as determined based on the lower of the amount determined under PRC accounting standards and the amount determined under HKGAAP, amounted to Rmb10,760,276,000. In addition, in accordance with the Company Law of the PRC, the amount of approximately Rmb8,308,445,000 standing to the credit of the Company's share premium account as prepared in accordance with the PRC accounting standards was available for distribution by way of capitalization issues.

### TRUST DEPOSITS

As at December 31, 2025, other than the deposits placed with a non-bank financial institution of Rmb4,961,961,000, the Group's deposits have been placed with commercial banks in the PRC and the Group has not encountered any difficulty in the withdrawal of funds.

### PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.



## **DIRECTORS**

The Directors of the Company during the Period and as at the date of this report are:

### **CHAIRMAN**

Mr. YUAN Yingjie

### **EMPLOYEE DIRECTOR**

Ms. LIU Yiyong (Appointed, with effect from March 20, 2026)

### **EXECUTIVE DIRECTORS**

Mr. LI Wei

Mr. WU Wei (Resigned, with effect from February 6, 2026)

### **NON-EXECUTIVE DIRECTORS**

Mr. ZHAO Xilong (Appointed, with effect from December 19, 2025)

Mr. FAN Ye

Mr. HUANG Jianzhang

Mr. YANG Xudong (Resigned, with effect from December 19, 2025)

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. PEI Ker-Wei

Ms. LEE Wai Tsang, Rosa

Mr. YU Mingyuan

## Report of the Directors

### **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Company are set out on pages 60 to 70 in the Company's annual report.

### **DIRECTORS' SERVICE CONTRACTS**

Directors have entered into a service agreement with the Company, with effect from July 1, 2024 to June 30, 2027. Newly appointed Directors during the term have entered into a service agreement with the Company, with effect from their respective dates of appointment to June 30, 2027.

Save as disclosed above, none of the Directors has entered into any service agreement with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

### **DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS**

As at December 31, 2025 or during the Period, none of the Directors or Supervisors or any entity connected with the Directors or Supervisors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party.

### **DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE'S RIGHTS TO SUBSCRIBE FOR SHARES OR DEBENTURES**

At no time during the year were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director, Supervisor and chief executive or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable any such persons to acquire such rights in any other body corporate.

### **SHARE CAPITAL**

During the Period, due to the conversion of H share convertible bonds, the Company's issued share capital increased from 5,993,800,537 shares to 6,038,114,642 shares.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights in the Company's Articles of Association or the laws of the PRC which would require the Company to offer new shares on a pro rata basis to existing Shareholders.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

Save for their respective interests in the Group, none of the Directors and controlling Shareholders of the Company was interested in any business which competes or is likely to compete with the businesses of the Group for the Period.

## **CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS**

Save as disclosed in this annual report, there is no contract of significance entered into between the Company, or one of its subsidiary companies, and a controlling Shareholder or any of its subsidiaries.

## **TAXATION AND TAX RELIEF**

According to a Notice issued jointly by PRC Ministry of Finance and State Administration of Taxation regarding individual income tax policies (Caishuizi [1994] No.020), the dividend incomes received by foreign individuals from a foreign-invested enterprise are exempt from individual income tax.

As stipulated by a Notice issued by the PRC State Administration of Taxation in relation to the withholding and payment of enterprise income tax by Chinese resident enterprises for payment of dividend to H shareholders who are overseas non-resident enterprises (Guoshuihan [2008] No.897), the Company as a Chinese resident enterprise is required to withhold 10% enterprise income tax when it distributes dividends for the year 2008 and thereafter to all non-resident enterprise holders of H Shares of the Company (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise holders of H Shares) whose names appear on the H Share register of members of the Company on the record date.

## Report of the Directors

Dividends payable to the Shareholders who are mainland individual investors or corporate investors investing in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect will be paid in Rmb by China Securities Depository and Clearing Corporation Limited Shanghai Branch (“CSDC Shanghai Branch”) or Shenzhen Branch (“CSDC Shenzhen Branch”) as entrusted by the Company.

According to the requirements of the “Notice on Taxation Policies Concerning the Shanghai-Hong Kong Stock Connect Pilot Program (Finance Tax [2014] No. 81 《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》(財稅[2014]81號)) and “Notice on Taxation Policies Concerning the Shenzhen-Hong Kong Stock Connect Pilot Program (Finance Tax [2016] No. 127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號) jointly published by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect tax arrangements are as follows: (i) for Chinese Mainland individual investors who invest in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of final dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad; and (ii) for Chinese Mainland securities investment funds that invest in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of final dividend pursuant to the foregoing provisions.

For Chinese mainland corporate investors that invest in the H Shares via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of final dividend and such investors shall file the tax returns on their own.

Under current practice of the Hong Kong Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Shareholders of the Company are taxed and/or enjoy tax relief in accordance with the aforementioned regulations.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, the Company has maintained sufficient amount of public float as required under the Listing Rules.

## DIRECTORS' PERMITTED INDEMNITY PROVISION

The Company purchased appropriate liability insurance coverage for the Directors, supervisors and senior management members of the Group during the year ended December 31, 2025 against all actions, costs, charges, losses, damages and expenses which they or any of them may sustain or incur in connection with their duties or the exercise of their powers.

## AUDITORS

Ernst & Young has served as Hong Kong auditors of the Company since 2024 and retired by rotation in accordance with the regulations during the period. A resolution to reappoint Ernst & Young as the Company's Hong Kong auditor will be proposed at the forthcoming annual shareholders' meeting.

By Order of the Board

**YUAN Yingjie**

*Chairman*

Hangzhou, Zhejiang Province, the PRC

March 31, 2026

## Connected Transactions

During the year ended December 31, 2025, the Company had the following non-exempt connected transactions and continuing connected transactions.

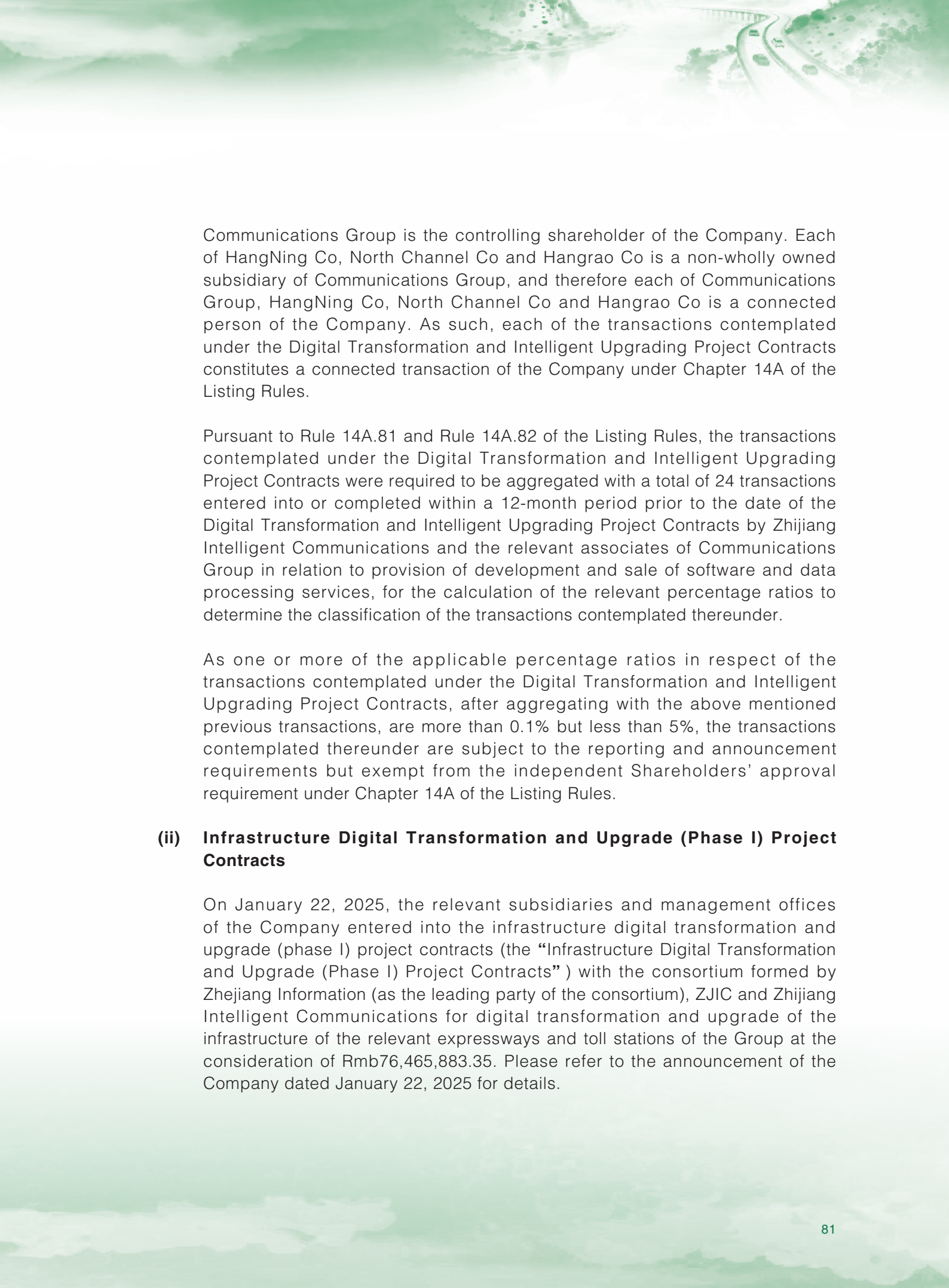
### CONNECTED TRANSACTIONS

#### 1. (i) Digital Transformation and Intelligent Upgrading Project Contracts and (ii) Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts

##### (i) Digital Transformation and Intelligent Upgrading Project Contracts

On January 22, 2025, Zhijiang Intelligent Communications, a subsidiary of the Company, entered into (a) the expressway infrastructure digital transformation and upgrading (phase I) project contracts (the “Expressway Infrastructure Digital Transformation and Upgrading (Phase I) Project Contracts”) with HangNing Co and the relevant branches and management office of North Channel Co, Communications Group and Hangrao Co, pursuant to which Zhijiang Intelligent Communications was engaged to provide services to develop software for monitoring toll station congestion and toll station cargo bulk transportation; and (b) the HangNing Expressway intelligent upgrading and transformation (phase II) project contract (the “HangNing Expressway Intelligent Upgrading and Transformation (Phase II) Project Contract”, together with the Expressway Infrastructure Digital Transformation and Upgrading (Phase I) Project Contracts hereinafter referred as the “Digital Transformation and Intelligent Upgrading Project Contracts”) with HangNing Co, pursuant to which Zhijiang Intelligent Communications was engaged to provide services to establish the information release platform for the intelligent upgrading and transformation of HangNing Expressway, respectively.

Pursuant to the Expressway Infrastructure Digital Transformation and Upgrading (Phase I) Project Contracts, Zhijiang Intelligent Communications was engaged to develop the software for monitoring toll station congestion and for bulk transportation of cargo at toll stations to enhance the efficiency of passage through toll stations at the consideration of Rmb396,285. Pursuant to the HangNing Expressway Intelligent Upgrading and Transformation (Phase II) Project Contract, Zhijiang Intelligent Communications was engaged to establish the information release platform for the intelligent upgrading and transformation of HangNing Expressway, in order to further improve the main line control capability of HangNing Expressway at the consideration of Rmb3,180,000. Please refer to the announcement of the Company dated January 22, 2025 for details.



Communications Group is the controlling shareholder of the Company. Each of HangNing Co, North Channel Co and Hangrao Co is a non-wholly owned subsidiary of Communications Group, and therefore each of Communications Group, HangNing Co, North Channel Co and Hangrao Co is a connected person of the Company. As such, each of the transactions contemplated under the Digital Transformation and Intelligent Upgrading Project Contracts constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the transactions contemplated under the Digital Transformation and Intelligent Upgrading Project Contracts were required to be aggregated with a total of 24 transactions entered into or completed within a 12-month period prior to the date of the Digital Transformation and Intelligent Upgrading Project Contracts by Zhijiang Intelligent Communications and the relevant associates of Communications Group in relation to provision of development and sale of software and data processing services, for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated thereunder.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Digital Transformation and Intelligent Upgrading Project Contracts, after aggregating with the above mentioned previous transactions, are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

**(ii) Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts**

On January 22, 2025, the relevant subsidiaries and management offices of the Company entered into the infrastructure digital transformation and upgrade (phase I) project contracts (the “Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts”) with the consortium formed by Zhejiang Information (as the leading party of the consortium), ZJIC and Zhijiang Intelligent Communications for digital transformation and upgrade of the infrastructure of the relevant expressways and toll stations of the Group at the consideration of Rmb76,465,883.35. Please refer to the announcement of the Company dated January 22, 2025 for details.

## Connected Transactions

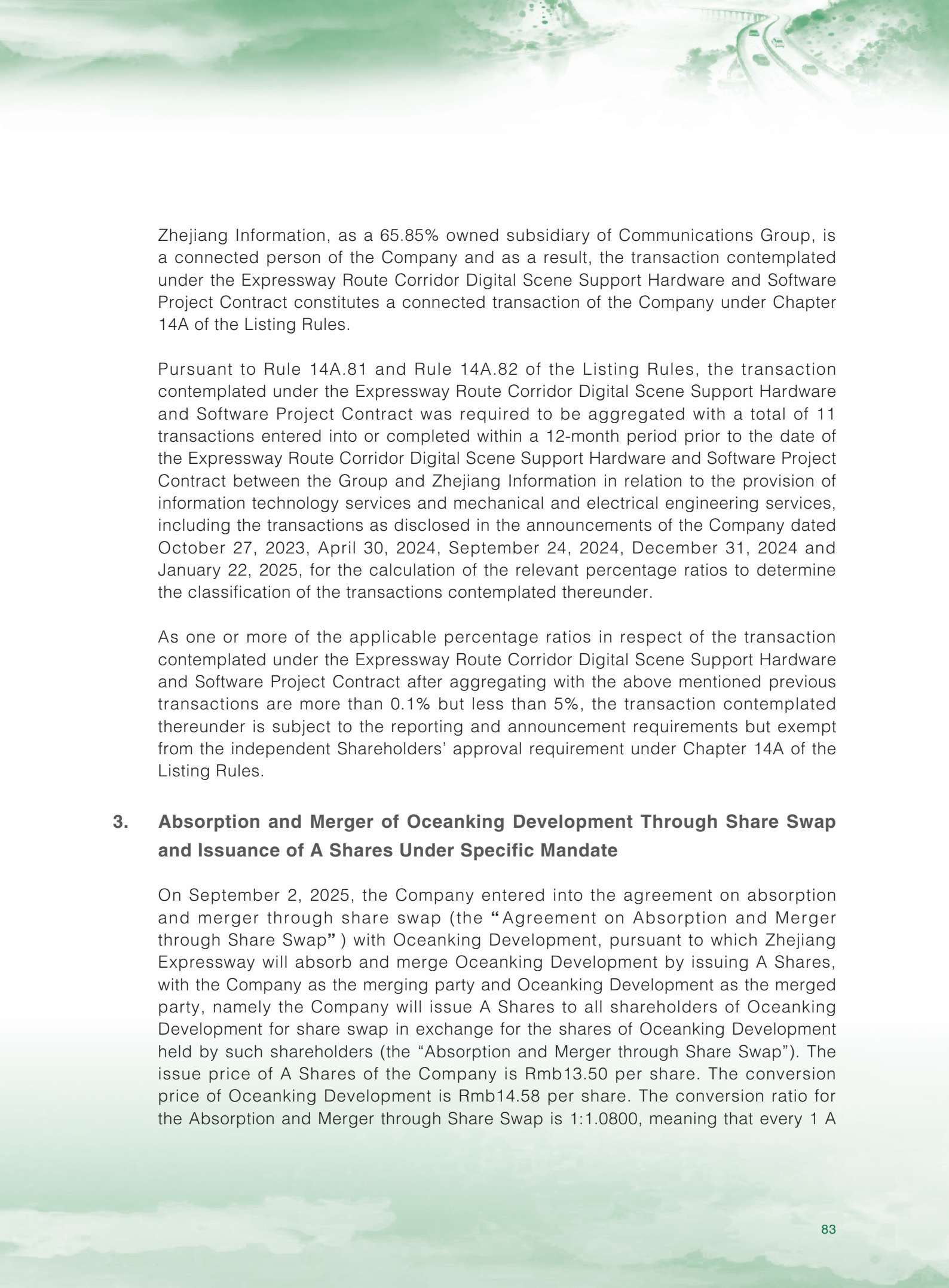
Zhejiang Information, as a 65.85% owned subsidiary of Communications Group, is a connected person of the Company and as a result, the transactions contemplated under the Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the respective transactions contemplated under the Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts were required to be aggregated with a total of 10 transactions entered into or completed within a 12-month period prior to the date of the Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts between the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services, including the transactions as disclosed in the announcements of the Company dated October 27, 2023, April 30, 2024, September 24, 2024 and December 31, 2024, for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated thereunder.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Infrastructure Digital Transformation and Upgrade (Phase I) Project Contracts after aggregating with the above mentioned previous transactions are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **2. Expressway Route Corridor Digital Scene Support Hardware and Software Project Contract**

On February 25, 2025, the information center of the Company (a branch of the Company) entered into the expressway route corridor digital scene support hardware and software project contract (the "Expressway Route Corridor Digital Scene Support Hardware and Software Project Contract") with the consortium formed by Zhejiang Information (as the leading party of the consortium) and Zhongxun Postal and Telecommunications Consulting Design Institute Co., Ltd., pursuant to which the consortium agreed to provide design and construction related services of the digital scene support hardware and software project for expressway route corridor of the Group. The consideration related to Zhejiang Information amounted to Rmb87,677,549. Please refer to the announcement of the Company dated February 25, 2025 for details.



Zhejiang Information, as a 65.85% owned subsidiary of Communications Group, is a connected person of the Company and as a result, the transaction contemplated under the Expressway Route Corridor Digital Scene Support Hardware and Software Project Contract constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the transaction contemplated under the Expressway Route Corridor Digital Scene Support Hardware and Software Project Contract was required to be aggregated with a total of 11 transactions entered into or completed within a 12-month period prior to the date of the Expressway Route Corridor Digital Scene Support Hardware and Software Project Contract between the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services, including the transactions as disclosed in the announcements of the Company dated October 27, 2023, April 30, 2024, September 24, 2024, December 31, 2024 and January 22, 2025, for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated thereunder.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Expressway Route Corridor Digital Scene Support Hardware and Software Project Contract after aggregating with the above mentioned previous transactions are more than 0.1% but less than 5%, the transaction contemplated thereunder is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **3. Absorption and Merger of Oceanking Development Through Share Swap and Issuance of A Shares Under Specific Mandate**

On September 2, 2025, the Company entered into the agreement on absorption and merger through share swap (the "Agreement on Absorption and Merger through Share Swap") with Oceanking Development, pursuant to which Zhejiang Expressway will absorb and merge Oceanking Development by issuing A Shares, with the Company as the merging party and Oceanking Development as the merged party, namely the Company will issue A Shares to all shareholders of Oceanking Development for share swap in exchange for the shares of Oceanking Development held by such shareholders (the "Absorption and Merger through Share Swap"). The issue price of A Shares of the Company is Rmb13.50 per share. The conversion price of Oceanking Development is Rmb14.58 per share. The conversion ratio for the Absorption and Merger through Share Swap is 1:1.0800, meaning that every 1 A

## Connected Transactions

Share of Oceanking Development held by a share swap shareholder of Oceanking Development can be exchanged for 1.0800 A Shares to be issued by the Company under this issuance. Upon completion of the Absorption And Merger through Share Swap, the Company will apply for listing and trading of A Shares to be issued by the Company for the Absorption And Merger through Share Swap, and the A Shares to be converted from existing Domestic Shares of the Company on the Main Board of Shanghai Stock Exchange. Please refer to the announcement of the Company dated September 2, 2025 and the circular of the Company dated February 5, 2026 for details.

Oceanking Development is a subsidiary of Communications Group, and therefore constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Absorption and Merger through Share Swap constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **4. The Compensated Farmland Benchmark Adjustment Agreement**

On September 10, 2025, Zhajiasu Co, a non-wholly owned subsidiary of the Company, entered into the compensated farmland benchmark adjustment agreement (the "Compensated Farmland Benchmark Adjustment Agreement") with Shenhai Co, pursuant to which, Shenhai Co agreed to allocate the surplus compensated farmland benchmarks from the Sanmen Ma'aoling Section of the reconstruction and expansion project of YongTaiWen Expressway to Zhajiasu Co for the reconstruction and expansion project of Nanhu Interchange to Zhejiang-Jiangsu Boundary Section of the Zhajiasu Expressway operated by Zhajiasu Co, and Zhajiasu Co agreed to pay a fee for such adjustment to compensated farmland benchmarks at the consideration of Rmb100,215,165. Please refer to the announcement of the Company dated September 10, 2025 for details.

Shenhai Co, a 75% owned subsidiary of Communications Group, is a connected person of the Company. As a result, the transaction contemplated under the Compensated Farmland Benchmark Adjustment Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Compensated Farmland Benchmark Adjustment Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Compensated Farmland Benchmark Adjustment Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **5. Acquisition of 11.6733% Equity Interest in Zhejiang Communications Investment Carbon by Capital Injection**

On December 31, 2025, the Company entered into the capital injection agreement (the “Capital Injection Agreement”) with Zhejiang Communications Investment Carbon and Commercial Group for the injection amount of Rmb225,999,968.04 to acquire 11.6733% equity interest in the enlarged registered capital of Zhejiang Communications Investment Carbon. Upon completion of the Capital Injection Agreement, the Company will hold 11.6733% equity interest in Zhejiang Communications Investment Carbon which will not become a subsidiary of the Company. Please refer to the announcement of the Company dated December 31, 2025 for details.

Zhejiang Communications Investment Carbon is an indirect wholly-owned subsidiary of Communications Group. Therefore, the entering into of the Capital Injection Agreement and the transaction contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to the Listing Rules in respect of the Capital Injection Agreement and the transaction contemplated thereunder is more than 0.1% but less than 5%, the Capital Injection Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

## Connected Transactions

### CONTINUING CONNECTED TRANSACTIONS

#### 1. Entrusted Management Agreements

##### i. 2023 Entrusted Management Agreement

On August 23, 2023, the Company entered into an entrusted management agreement (the “2023 Entrusted Management Agreement”) with HangNing Co, pursuant to which HangNing Co shall entrust the Company to take over the operation and management of the Zhejiang Section of the HangNing Expressway. The term of 2023 Entrusted Management Agreement is three years ending August 13, 2026. Please refer to announcement of the Company dated August 23, 2023 for details.

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of the entrusted management service fee receivable by the Company under the 2023 Entrusted Management Agreement. The proposed annual cap on the entrusted management service fee of the 2023 Entrusted Management Agreement for each of the three years ending August 13, 2026 shall not exceed Rmb5,400,000.

HangNing Co is a non-wholly owned subsidiary of Communications Group. Therefore, HangNing Co is a Connected Person of the Company and as a result, the transaction contemplated under the 2023 Entrusted Management Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 to Rule 14A.83 of the Listing Rules, the transaction contemplated under the 2023 Entrusted Management Agreement was required to be aggregated with the respective transactions carried out on a continuing basis under the agreements with respect to 7 transactions entered into between the Company and the associates of the same Connected Person (i.e. the Communications Group) in relation to the provision of entrusted management services of expressways.

As the highest applicable percentage ratio in respect of the aggregated annual cap for transaction contemplated under the 2023 Entrusted Management Agreement and the respective transactions carried out on a continuing basis under the abovementioned previous agreements was more than 0.1% but less than 5%, the transaction contemplated under the 2023 Entrusted Management Agreement was subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under the 2023 Entrusted Management Agreement amounted to Rmb5,094,000.

## ii. 2024 Entrusted Management Agreements

### a. 2024 Entrusted Management Agreements I

On January 12, 2024, the Company entered into an entrusted management agreement (the “2024 Entrusted Management Agreements I”) with subsidiaries of Communications Group, pursuant to which each of Zhejiang HNPL Co, HangShaoYong Co and Hangrao Co shall entrust the Company to take over the operation and management of (i) Phase I Ningbo Section of the Parallel Line G92N of Hangzhou Bay Ring Expressway (Hangzhou-Ningbo Expressway Parallel Line Phase I); (ii) Hangzhou to Shaoxing Section of Hangzhou-Shaoxing-Ningbo Expressway; and (iii) Huzhou Section of the West Parallel Line of the Hangzhou Ring Expressway.

The terms of the 2024 Entrusted Management Agreements I are (i) in relation to Phase I Ningbo Section of the Parallel Line G92N of Hangzhou Bay Ring Expressway (Hangzhou-Ningbo Expressway Parallel Line Phase I) and Hangzhou to Shaoxing Section of Hangzhou-Shaoxing-Ningbo Expressway: three years commencing from January 19, 2024; and (ii) in relation to Huzhou Section of the West Parallel Line of the Hangzhou Ring Expressway: three years ending December 21, 2026. Please refer to announcement of the Company dated January 12, 2024 for details.

Zhejiang HNPL Co, HangShaoYong Co and Hangrao Co are non-wholly owned subsidiaries of Communications Group. Therefore, each of Zhejiang HNPL Co, HangShaoYong Co and Hangrao Co is a Connected Person of the Company and as a result, the respective transactions contemplated under the 2024 Entrusted Management Agreements I constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of the entrusted management service fee receivable by the Company under the 2024 Entrusted Management Agreements I. The proposed annual cap on the entrusted management service fee of the 2024 Entrusted Management Agreements I for each of the three years shall not exceed Rmb9,000,000.

## Connected Transactions

Pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules, the transactions contemplated under the 2024 Entrusted Management Agreements I are required to be aggregated with the respective transactions carried out on a continuing basis under the agreements with respect to 7 transactions entered into between the Company and the associates of the same Connected Person (i.e. the Communications Group) in relation to the provision of entrusted management services of expressways. As the highest applicable percentage ratio in respect of the aggregated annual cap for transactions contemplated under the 2024 Entrusted Management Agreements I and the respective transactions carried out on a continuing basis under the abovementioned previous agreements was more than 0.1% but less than 5%, the transactions contemplated under the 2024 Entrusted Management Agreements I were subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under the 2024 Entrusted Management Agreements I amounted to Rmb6,392,000.

*b. 2024 Entrusted Management Agreements II*

On August 6, 2024, the Company entered into entrusted management agreements (the "2024 Entrusted Management Agreements II") with several branch companies and subsidiaries of Communications Group, pursuant to which each of Shensuzhewan Branch, Ningbo Yongtaiwen Co, Jiaxiao Co, Santongdao South Connection Co, Hangxuan Co and North Channel Co shall entrust the Company to take over the operation and management of (i) Shensuzhewan Expressway; (ii) Ningbo Phase II of Yongtaiwen Expressway; (iii) North Line of Qianjiang Channel; (iv) South Line of Qianjiang Channel; (v) Linjian Expressway; and (vi) Zhoushan North Channel. The terms of the 2024 Entrusted Management Agreements II are three years ending June 30, 2027. Please refer to announcement of the Company dated August 6, 2024 for details.

Shensuzhewan Branch is a branch company of Communications Group; Ningbo Yongtaiwen Co is a 71.25% owned subsidiary of Communications Group; Jiaxiao Co is a 70% owned subsidiary of Communications Group; Santongdao South Connection Co is a wholly owned subsidiary of Ningbo Yongtaiwen Co; Hangxuan Co is a wholly owned subsidiary of Communications Group and North Channel Co is a 60% owned subsidiary of Communications Group. Therefore, each of Shensuzhewan Branch,



Ningbo Yongtaiwen Co, Jiaxiao Co, Santongdao South Connection Co, Hangxuan Co and North Channel Co is a Connected Person of the Company and as a result, the respective transactions contemplated under the 2024 Entrusted Management Agreements II constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount of the entrusted management service fee receivable by the Company under the 2024 Entrusted Management Agreements II. The proposed annual cap on the entrusted management service fee of the 2024 Entrusted Management Agreements II for each of the three years ending June 30, 2027 shall not exceed Rmb18,350,000.

Pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules, the transactions contemplated under the 2024 Entrusted Management Agreements II are required to be aggregated with the respective transactions carried out on a continuing basis under the agreements with respect to 4 transactions entered into between the Company and the associates of the same Connected Person (i.e. the Communications Group) in relation to the provision of entrusted management services of expressways.

As the highest applicable percentage ratio in respect of the aggregated annual cap for transactions contemplated under the 2024 Entrusted Management Agreements II and the respective transactions carried out on a continuing basis under the abovementioned previous agreements was more than 0.1% but less than 5%, the transactions contemplated under the 2024 Entrusted Management Agreements II were subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under the 2024 Entrusted Management Agreements II amounted to Rmb14,264,000.

## Connected Transactions

### 2. Framework Agreement between Zhejiang Zheqi and Zheshang Development

On March 24, 2022, Zhejiang Zheqi and Zheshang Development, entered into a framework agreement (the “2022 Framework Agreement”), pursuant to which Zhejiang Zheqi and Zheshang Development Group would be involved in, among others, (i) bulk commodity sale and purchase transactions and (ii) over-the-counter (OTC) derivatives transactions for a term of three years commencing from the date of the 2022 Framework Agreement. The annual cap for each of the sale and purchase transactions of bulk commodity under the 2022 Framework Agreement for each of the three years ending March 23, 2025 shall not exceed Rmb800,000,000, respectively. The annual cap on the maximum aggregate annual amount of accumulated nominal principal for the OTC derivatives transactions under the 2022 Framework Agreement for each of the three years ending March 23, 2025 shall not exceed Rmb1,200,000,000. Please refer to the announcements of the Company dated March 25, 2022 and April 19, 2022 for details.

Zheshang Development is a non-wholly owned subsidiary of Communications Group and Zhejiang Zheqi is an indirect non-wholly owned subsidiary of the Company. Therefore, Zheshang Development is a Connected Person of the Company. As a result, the transactions contemplated under the 2022 Framework Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the bulk commodity sale and purchase transactions and the OTC derivatives transactions under the 2022 Framework Agreement was more than 0.1% but less than 5%, the entering into of each of the bulk commodity sale and purchase transactions and the OTC derivatives transactions under the 2022 Framework Agreement was subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under the 2022 Framework Agreement in respect of (i) the bulk commodity sale transactions; (ii) the bulk commodity purchase transactions; and (iii) the OTC derivatives transactions amounted to Rmb74,435,000, Rmb7,138,000 and Rmb110,872,000, respectively.

### 3. Daily Road Maintenance Agreements

On January 10, 2023, the Company and its various subsidiaries and LongLiLiLong Co entered into the following agreements:

*a. Daily Road Maintenance Agreements (First to Third Contract Sections)*

On January 10, 2023, the Company and its various subsidiaries entered into a series of Daily Road Maintenance Agreements (First to Third Contract Sections) with Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang, respectively, pursuant to which, each of Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang agreed to undertake the daily road maintenance projects in respect of the relevant expressway as specified therein operated by the Group, respectively. The term of the Daily Road Maintenance Agreements (First to Third Contract Sections) is three years ending December 31, 2025. The total service fees payable by the Group for the maintenance services under the Daily Road Maintenance Agreements (First to Third Contract Sections) amounted to Rmb401,655,846. Please refer to the announcement of the Company dated January 10, 2023 for details.

*b. Daily Road Maintenance Agreement (Fourth Contract Section)*

On January 10, 2023, LongLiLiLong Co entered into the Daily Road Maintenance Agreement (Fourth Contract Section) with Zhejiang Shunchang, pursuant to which, Zhejiang Shunchang agreed to undertake the daily road maintenance projects in respect of the relevant expressway as specified therein owned by the Group. The term of the Daily Road Maintenance Agreements (Fourth Contract Section) is three years ending December 31, 2025. The total service fees payable by the Group for the maintenance services under the Daily Road Maintenance Agreements (Fourth Contract Section) amounted to Rmb81,273,948. Please refer to the announcement of the Company dated January 10, 2023 for details.

Each of Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang is an indirect subsidiary of Communications Group. As such, each of Maintenance Co, Jiaogong Maintenance and Zhejiang Shunchang is a Connected Person of the Company. Therefore, the respective transactions contemplated under the Daily Road Maintenance Agreements (First to Third Contract Sections) and Daily Road Maintenance Agreement (Fourth Contract Section) (collectively the “Daily Road Maintenance Agreements”) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

## Connected Transactions

In accordance with Rule 14A.53 of the Listing Rules, the Company was required to set an annual cap on the total amount of service fees under the Daily Road Maintenance Agreements payable by the Group. Pursuant to Rules 14A.81 to 14A.82 of the Listing Rules, the transactions contemplated under the Daily Road Maintenance Agreements were required to be aggregated. In aggregate, the proposed annual cap on the aggregate service fees payable by the Group under the Daily Road Maintenance Agreements for each of the three years ending December 31, 2025 is Rmb163,000,000.

During the Period, the total amount of connected transactions actually occurred under the Daily Road Maintenance Agreements amounted to Rmb133,659,000.

### 4. Building Construction Agreement and Civil Engineering Agreement

#### i. Building Construction Agreement

On August 9, 2024, the building construction agreement (the “Building Construction Agreement”) was entered into amongst Jinhua Co, Jindong Branch and, among others, Jiaogong Underground Construction regarding the building construction work of section TJ01 of the reconstruction and expansion of Ningbo-to-Jinhua section (Jinhua Section) of the Ningbo-Jinhua Expressway with a planned construction period of 43 months. Please refer to the announcement of the Company dated August 9, 2024 for details.

The service fee payable to the Connected Person (i.e. Jiaogong Underground Construction), during the term under the Building Construction Agreement is approximately Rmb58,477,251.

Jiaogong Underground Construction, as an indirect non-wholly owned subsidiary of Communications Group, is a Connected Person of the Company and as a result, the transaction contemplated under the Building Construction Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the amount of the service fee payable by the Group to Jiaogong Underground Construction under the Building Construction Agreement. The proposed annual caps on the service fee payable to Jiaogong Underground Construction under the Building Construction Agreement are Rmb1,000,000, Rmb6,000,000, Rmb40,000,000, Rmb25,000,000 and Rmb6,000,000 for the financial year ending December 31, 2024, 2025, 2026, 2027 and 2028.

## ii. Civil Engineering Agreement

On August 9, 2024, the civil engineering agreement (“Civil Engineering Agreement”) was entered into amongst Jinhua Co, Jindong Branch and, amongst others, Zhejiang Hongtu regarding the civil engineering work and subsequent pavement maintenance of section TJ02 of the reconstruction and expansion of Ningbo-to-Jinhua section (Jinhua Section) of the Ningbo-Jinhua Expressway with a planned construction period of 39 months followed by a pavement maintenance period of 120 months. Please refer to the announcement of the Company dated August 9, 2024 for details.

The service fee payable to the Connected Person (i.e. Zhejiang Hongtu), during the term under the Civil Engineering Agreement is approximately Rmb2,278,719,205 (including approximately Rmb12,600,000 for pavement maintenance).

Zhejiang Hongtu, as an indirect non-wholly owned subsidiary of Communications Group, is a Connected Person of the Company and as a result, the transaction contemplated under the Civil Engineering Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set annual caps on the amount of the service fee payable by the Group to Zhejiang Hongtu under the Civil Engineering Agreement. The proposed annual caps on the service fee payable to Zhejiang Hongtu under the Civil Engineering Agreement are Rmb240,000,000, Rmb800,000,000, Rmb830,000,000, Rmb800,000,000, Rmb500,000,000 and Rmb500,000,000 for the financial year ending December 31, 2024, 2025, 2026, 2027, 2028 and 2029; Rmb3,000,000 for each of the seven financial years from 2030 to December 31, 2036; and Rmb4,000,000 for the financial year ending December 31, 2037.

As one or more of the applicable percentage ratios calculated pursuant to the Listing Rules in respect of the highest annual cap for the transaction under the each of the Building Construction Agreement and Civil Engineering Agreement exceed 0.1% but less than 5%, the entering into each of the Building Construction Agreement and Civil Engineering Agreement is subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under each of the Building Construction Agreement and Civil Engineering Agreement amounted to Rmb0 and Rmb267,675,000.

## Connected Transactions

### 5. Expressway Electromechanical System Maintenance Agreements

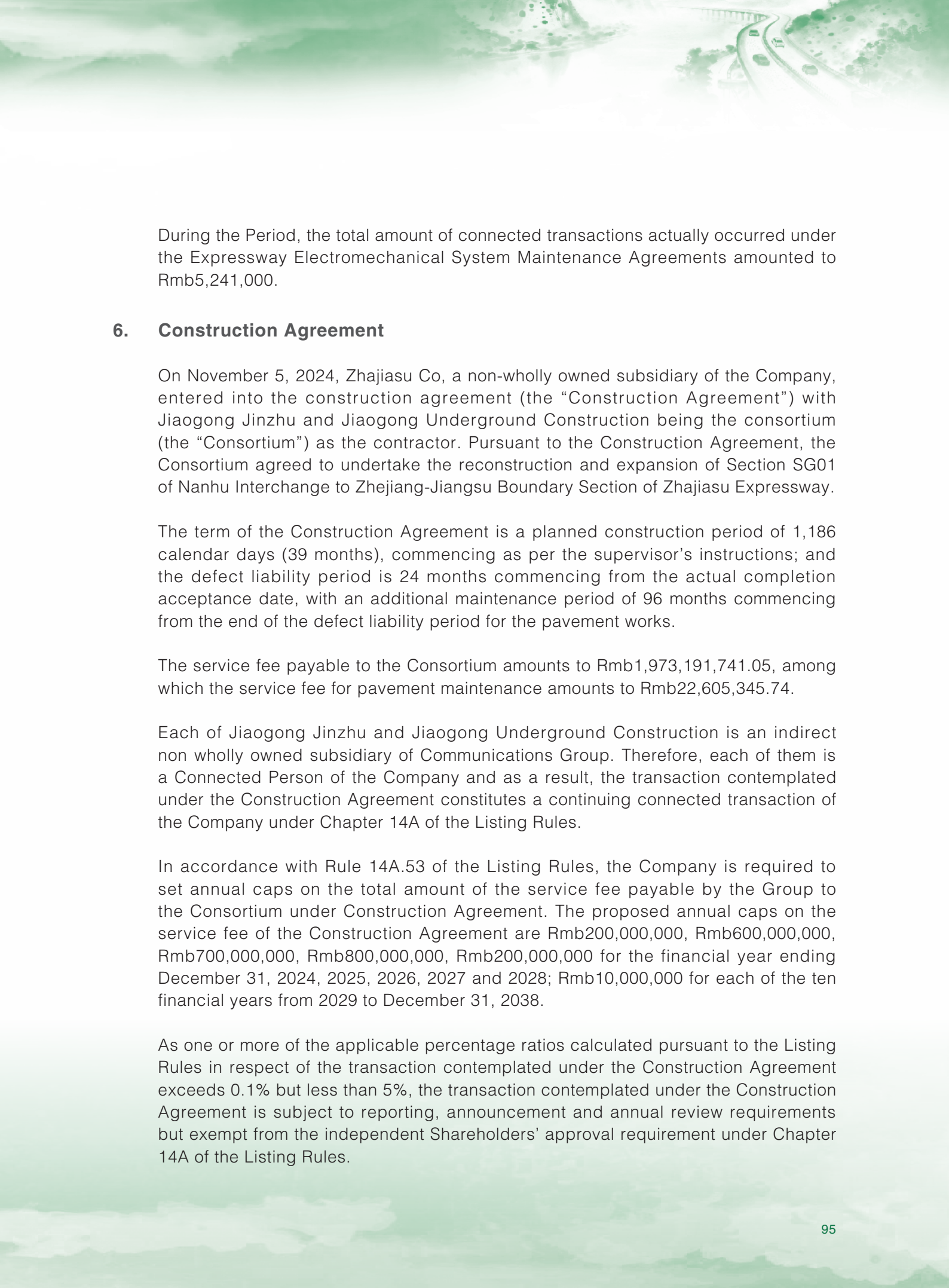
On September 24, 2024, LongLiLiLong Co entered into the expressway electromechanical system maintenance agreements (the “Expressway Electromechanical System Maintenance Agreements”) with Zhejiang Information pursuant to which LongLiLiLong Co agreed to purchase, and Zhejiang Information agreed to provide electromechanical system maintenance services for LongLiLiLong Expressway and HuangQuNan Expressway under the Expressway Electromechanical System Maintenance Agreements.

The terms of the Expressway Electromechanical System Maintenance Agreements are for three years. The service fees payable to Zhejiang Information under the Expressway Electromechanical System Maintenance Agreements for each year is expected to be Rmb6,424,113.76, with the total amounting to Rmb19,272,341.28. The annual cap for transaction contemplated under the Expressway Electromechanical System Maintenance Agreements for each of the three years commencing from the date of the agreement is Rmb7,300,000. Please refer to announcement of the Company dated September 24, 2024 for details.

Zhejiang Information is a Connected Person of the Company and as a result, the transactions contemplated under the Expressway Electromechanical System Maintenance Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.82 of the Listing Rules, the respective transactions contemplated under the Expressway Electromechanical System Maintenance Agreements were required to be aggregated with a total of 4 transactions entered into or completed within 12-month period prior to such agreement between or among the Group and Zhejiang Information in relation to the provision of information technology services and mechanical and electrical engineering services, for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated thereunder.

As one or more of the applicable percentage ratios calculated pursuant to the Listing Rules in respect of the transactions contemplated under the Expressway Electromechanical System Maintenance Agreements, after aggregating with the abovementioned previous transactions, are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.



During the Period, the total amount of connected transactions actually occurred under the Expressway Electromechanical System Maintenance Agreements amounted to Rmb5,241,000.

## **6. Construction Agreement**

On November 5, 2024, Zhajiasu Co, a non-wholly owned subsidiary of the Company, entered into the construction agreement (the “Construction Agreement”) with Jiaogong Jinzhu and Jiaogong Underground Construction being the consortium (the “Consortium”) as the contractor. Pursuant to the Construction Agreement, the Consortium agreed to undertake the reconstruction and expansion of Section SG01 of Nanhu Interchange to Zhejiang-Jiangsu Boundary Section of Zhajiasu Expressway.

The term of the Construction Agreement is a planned construction period of 1,186 calendar days (39 months), commencing as per the supervisor’s instructions; and the defect liability period is 24 months commencing from the actual completion acceptance date, with an additional maintenance period of 96 months commencing from the end of the defect liability period for the pavement works.

The service fee payable to the Consortium amounts to Rmb1,973,191,741.05, among which the service fee for pavement maintenance amounts to Rmb22,605,345.74.

Each of Jiaogong Jinzhu and Jiaogong Underground Construction is an indirect non wholly owned subsidiary of Communications Group. Therefore, each of them is a Connected Person of the Company and as a result, the transaction contemplated under the Construction Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set annual caps on the total amount of the service fee payable by the Group to the Consortium under Construction Agreement. The proposed annual caps on the service fee of the Construction Agreement are Rmb200,000,000, Rmb600,000,000, Rmb700,000,000, Rmb800,000,000, Rmb200,000,000 for the financial year ending December 31, 2024, 2025, 2026, 2027 and 2028; Rmb10,000,000 for each of the ten financial years from 2029 to December 31, 2038.

As one or more of the applicable percentage ratios calculated pursuant to the Listing Rules in respect of the transaction contemplated under the Construction Agreement exceeds 0.1% but less than 5%, the transaction contemplated under the Construction Agreement is subject to reporting, announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

## Connected Transactions

During the Period, the total amount of connected transactions actually occurred under the Construction Agreement amounted to Rmb179,104,000.

### **7. The Human Resources Business Outsourcing Service Framework Agreement**

On December 30, 2024, the Company entered into the human resources business outsourcing service framework agreement (the “Human Resources Business Outsourcing Service Framework Agreement”) with Sci. & Edu. Group, pursuant to which Sci. & Edu. Group undertakes to provide outsourcing services for certain employment positions of the Group.

The term of the Human Resources Business Outsourcing Service Framework Agreement is from January 1, 2025 to December 31, 2025.

Sci.& Edu. Group is a subsidiary of Communications Group. Therefore, Sci. & Edu. Group is a Connected Person of the Company and as a result, the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set an annual cap on the total amount payable by the Group under the Human Resources Business Outsourcing Service Framework Agreement. The proposed annual cap on the aggregate service fees of the Human Resources Business Outsourcing Service Framework Agreement payable by the Group for the term of the Human Resources Business Outsourcing Service Framework Agreement is Rmb85,300,000. Please refer to the announcement of the Company dated December 30, 2024 for details.

As one or more of the applicable percentage ratios calculated pursuant to the Listing Rules in respect of the proposed annual cap for the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Human Resources Business Outsourcing Service Framework Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under the Human Resources Business Outsourcing Service Framework Agreement amounted to Rmb66,927,000.

## **8. Deposit Services with Zhejiang Communications Finance**

### **(i) the Previous Financial Services Agreements**

The Company entered into the financial services agreement with Zhejiang Communications Finance dated March 25, 2022, pursuant to which Zhejiang Communications Finance agreed to provide the Company and its subsidiaries with a range of financial services including the provisions of certain deposit services (the “Deposit Services”) for a term of three years commencing from March 30, 2022 and ending March 29, 2025, subject to the terms and conditions provided therein. Upon the approval of independent Shareholders, parties entered into a supplemental agreement on a later date, among others, to revise the annual caps for the Deposit Services to Rmb3,000,000,000 (including any interest accrued thereon) (collectively the “Previous Financial Services Agreement”). Please refer to the announcement of the Company dated March 25, 2022 and the circular dated May 27, 2022 for details.

Zhejiang Communications Finance is owned as to 79.92% and 20.08% by Communications Group and the Company, respectively. Therefore, Zhejiang Communications Finance is a connected person of the Company. As such, under the Chapter 14A of the Listing Rules, the provision of Deposit Services under the Previous Financial Services Agreements constituted a continuing connected transaction for the Company. As the highest applicable percentage ratio in respect of the above annual caps for the Deposit Services under the Previous Financial Services Agreements was more than 5% but less than 25%, such transaction constituted a non-exempt continuing connected transaction subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

During the Period (by March 29, 2025), the maximum amount of the daily deposit balance (including any interest accrued thereon) under the Previous Financial Services Agreements amounted to Rmb2,975,439,000.

## Connected Transactions

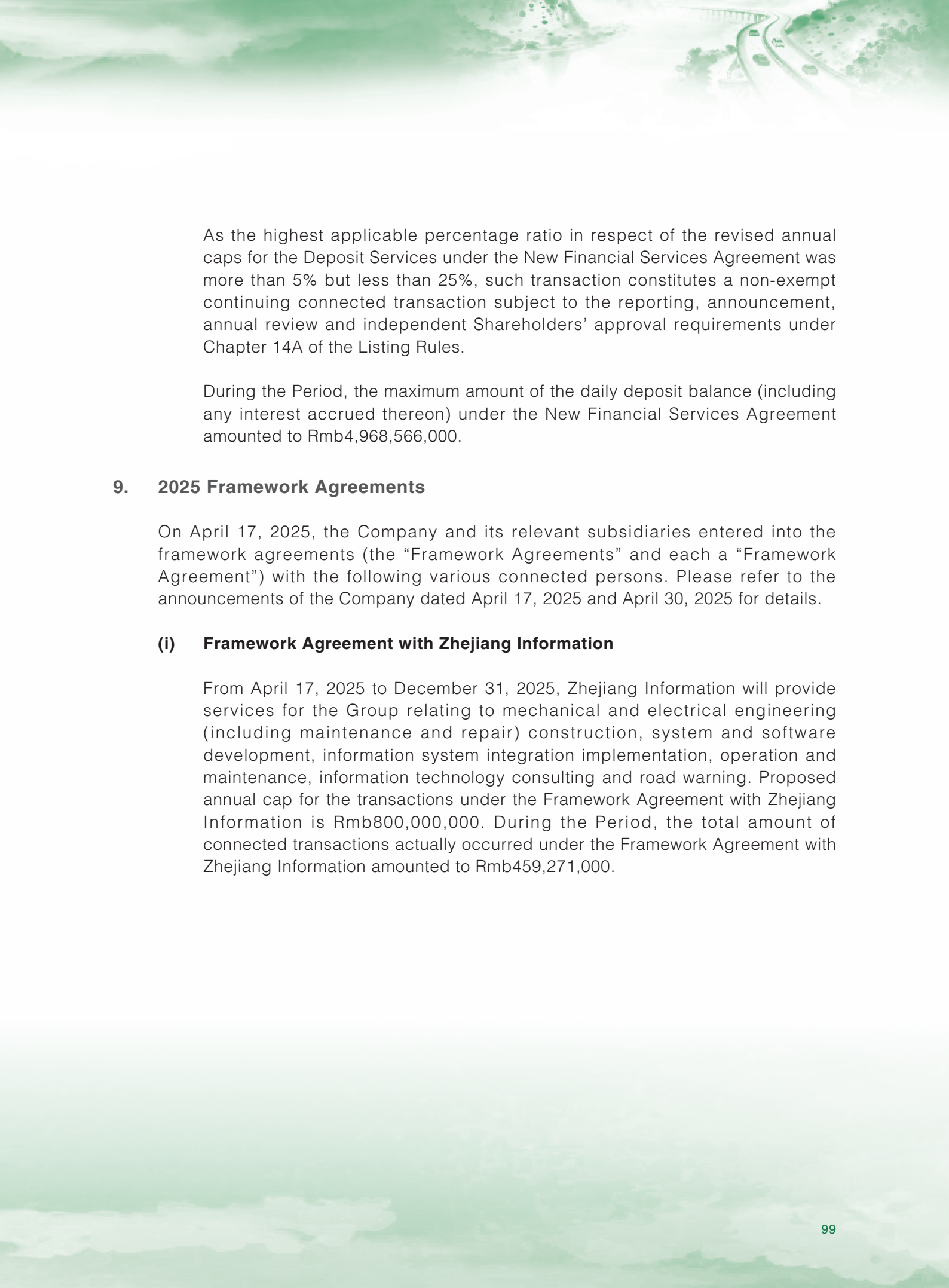
### (ii) the New Financial Services Agreement

Since the Previous Financial Services Agreements expired on March 29, 2025, the Company entered into the new financial services agreement with Zhejiang Communications Finance for renewal of the terms of the Previous Financial Services Agreements for a term of three years commencing from March 30, 2025 and ending March 29, 2028. Upon the approval of independent Shareholders, parties entered into a supplemental agreement on a later date, among others, to revise the annual caps for the Deposit Services to Rmb5,000,000,000 (including any interest accrued thereon) (collectively the “New Financial Services Agreement”). Save as otherwise provided, all terms and conditions under the Previous Financial Services Agreements remained substantially unchanged. Please refer to the announcement of the Company dated February 19, 2025 and the circular dated March 27, 2025 for details.

The provision of Deposit Services under the New Financial Services Agreement constitutes a continuing connected transaction for the Company.

Pursuant to the New Financial Services Agreement, the Deposit Services to be provided by Zhejiang Communications Finance to the Company and its subsidiaries include the current deposit, time deposit, call deposit and agreement deposit services. The Deposit Services would be provided under the New Financial Services Agreement on a non-exclusive basis and the Company and its subsidiaries were entitled to determine whether to accept the Deposit Services provided by Zhejiang Communications Finance or decide to accept deposit services provided by other financial institutions. The Company and its subsidiaries were not obliged to accept any Deposit Services provided by Zhejiang Communications Finance.

The interest rate to be paid by Zhejiang Communications Finance for the deposits of the Company and its subsidiaries with Zhejiang Communications Finance shall be determined based on the prevailing deposit interest rate promulgated by the People’s Bank of China for the same period and should not be lower than the deposit interest rates offered by major commercial banks in the PRC for comparable deposits of comparable periods. The maximum amount of the daily deposit balance (including any interest accrued thereon) for the deposits of the Company and its subsidiaries with Zhejiang Communications Finance shall not be more than Rmb5,000,000,000 under the New Financial Services Agreement during the term thereof.



As the highest applicable percentage ratio in respect of the revised annual caps for the Deposit Services under the New Financial Services Agreement was more than 5% but less than 25%, such transaction constitutes a non-exempt continuing connected transaction subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

During the Period, the maximum amount of the daily deposit balance (including any interest accrued thereon) under the New Financial Services Agreement amounted to Rmb4,968,566,000.

## **9. 2025 Framework Agreements**

On April 17, 2025, the Company and its relevant subsidiaries entered into the framework agreements (the "Framework Agreements" and each a "Framework Agreement") with the following various connected persons. Please refer to the announcements of the Company dated April 17, 2025 and April 30, 2025 for details.

### **(i) Framework Agreement with Zhejiang Information**

From April 17, 2025 to December 31, 2025, Zhejiang Information will provide services for the Group relating to mechanical and electrical engineering (including maintenance and repair) construction, system and software development, information system integration implementation, operation and maintenance, information technology consulting and road warning. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Information is Rmb800,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Zhejiang Information amounted to Rmb459,271,000.

## Connected Transactions

### **(ii) Framework Agreement with Zhejiang Expressway Trading and Zhejiang Jiaoke Supply Chain**

From April 17, 2025 to December 31, 2025, the Group will purchase administrative supplies, equipment and engineering materials, employee benefits, canteen food, grain and oil products, warehousing and logistic services, etc. from Zhejiang Expressway Trading. The Group will purchase industrial product-related materials etc. from Zhejiang Jiaoke Supply Chain. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Expressway Trading and Zhejiang Jiaoke Supply Chain is Rmb480,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Zhejiang Expressway Trading and Zhejiang Jiaoke Supply Chain amounted to Rmb60,183,000.

### **(iii) Framework Agreement with ZJIC**

From April 17, 2025 to December 31, 2025, ZJIC will provide services for the Group relating to the consultation, survey, design, construction, engineering procurement construction, maintenance and repair in relation to expressways and related facilities engineering. Proposed annual cap for the transactions under the Framework Agreement with ZJIC is Rmb736,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with ZJIC amounted to Rmb130,049,000.

### **(iv) Framework Agreement with Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance**

From April 17, 2025 to December 31, 2025, Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance will provide services for the Group relating to maintenance of roads, bridges, tunnels, traffic safety engineering, toll facilities, etc., obstacle removal and rescue, road congestion control, and emergency rescue engineering. Proposed annual cap for the transactions under the Framework Agreement with Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance is Rmb730,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Maintenance Co, Zhejiang Shunchang and Jiaogong Maintenance amounted to Rmb423,007,000.

**(v) Framework Agreement with Zheshang Development and Zhejiang Communications Resources**

From April 17, 2025 to December 31, 2025, Zheshang Futures and its relevant subsidiaries will sell bulk commodities, including but not limited to, steel, iron ore, rubber, road petroleum asphalt, and road construction auxiliary materials to Zheshang Development, Zhejiang Communications Resources and their relevant subsidiaries. Zheshang Futures and its relevant subsidiaries will purchase bulk commodities, including but not limited to, steel, iron ore, rubber, road petroleum asphalt, and road construction auxiliary materials from Zheshang Development, Zhejiang Communications Resources and their relevant subsidiaries. Proposed annual cap for the bulk commodities purchase transactions under the Framework Agreement with Zheshang Development and Zhejiang Communications Resources is Rmb900,000,000. Proposed annual cap for the bulk commodities sale transactions under the Framework Agreement with Zheshang Development and Zhejiang Communications Resources is Rmb900,000,000. During the Period, the total amount of purchase connected transactions actually occurred and total amount of sale connected transactions actually occurred under the Framework Agreement with Zheshang Development and Zhejiang Communications Resources amounted to Rmb282,264,000 and Rmb359,786,000, respectively.

**(vi) Framework Agreement with Zheshang Development and Zheshang Insurance**

From April 17, 2025 to December 31, 2025, Zheshang Futures and its relevant subsidiaries will provide OTC derivatives risk management services for Zheshang Development, Zheshang Insurance and their relevant subsidiaries. Proposed annual cap for the transactions under the Framework Agreement with Zheshang Development and Zheshang Insurance is: (i) the sum of the maximum option premium and margin at any point in time for the existing contracts shall not exceed Rmb500,000,000; and (ii) the maximum total business scale of the existing contracts at any point in time shall not exceed Rmb1,000,000,000. During the Period, the sum of the maximum option premium and margin at any point in time for the existing contracts and the maximum total business scale of the existing contracts at any point in time under the Framework Agreement with Zheshang Development and Zheshang Insurance amounted to Rmb18,129,000 and Rmb259,934,000, respectively.

## Connected Transactions

### **(vii) Framework Agreement with Zhejiang Shunchang**

From April 17, 2025 to December 31, 2025, Zhejiang Shunchang will provide services for the Group relating to daily and dedicated maintenance as well as construction and renovation of building construction projects such as offices, service areas, toll stations and supporting facilities. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Shunchang is Rmb60,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Zhejiang Shunchang amounted to Rmb16,431,000.

### **(viii) Framework Agreement with Zhejiang Communications Investment Carbon and Zheshang Development**

From April 17, 2025 to December 31, 2025, Zhejiang Communications Investment Carbon, Zheshang Development and their relevant subsidiaries will provide services for the Group relating to construction, operation and maintenance of charging pedestals and photovoltaic facilities, and the integration of such energy systems. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Communications Investment Carbon and Zheshang Development is Rmb26,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Zhejiang Communications Investment Carbon and Zheshang Development amounted to Rmb0.

### **(ix) Framework Agreement with Zhejiang Information, ZJIC and Zhejiang Hongtu**

From April 17, 2025 to December 31, 2025, Zhijiang Intelligent Communications (a subsidiary of the Company) will provide services to Zhejiang Information, ZJIC and Zhejiang Hongtu relating to development and deployment of system and software, and sales of algorithms, software and hardware. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Information, ZJIC and Zhejiang Hongtu is Rmb72,000,000. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Zhejiang Information, ZJIC and Zhejiang Hongtu amounted to Rmb35,980,000.

**(x) Framework Agreement with Jiaogong Group**

From April 17, 2025 to December 31, 2027, Jiaogong Group will provide services for the Group relating to expressway infrastructure safety and resilience improvement engineering, upgrading and renovating other transportation facilities engineering. Proposed annual caps for the transactions under the Framework Agreement with Jiaogong Group for the years ending December 31, 2025, 2026 and 2027 are Rmb60,000,000, Rmb520,000,000 and Rmb300,000,000, respectively. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Jiaogong Group amounted to Rmb0.

**(xi) Framework Agreement with Jiaogong Underground Construction**

From April 17, 2025 to April 16, 2028, Jiaogong Underground Construction will be providing services for the Group relating to the construction of new buildings. Proposed annual caps for the transactions under the Framework Agreement with Jiaogong Underground Construction for the years ending December 31, 2025, 2026, 2027 and April 16, 2028 are Rmb27,000,000, Rmb32,000,000, Rmb27,000,000 and Rmb20,000,000, respectively. During the Period, the total amount of connected transactions actually occurred under the Framework Agreement with Jiaogong Underground Construction amounted to Rmb25,048,000.

Communications Group is a controlling shareholder of the Company. Each of Zhejiang Information, Zhejiang Expressway Trading, Zhejiang Jiaoke Supply Chain, ZJIC, Maintenance Co, Zhejiang Shunchang, Jiaogong Maintenance, Zheshang Development, Zhejiang Communications Resources, Zheshang Insurance, Zhejiang Communications Investment Carbon, Zhejiang Hongtu, Jiaogong Group and Jiaogong Underground Construction is a subsidiary of Communications Group and is therefore an associate of Communications Group and a connected person of the Company. As a result, the transactions contemplated under the respective Framework Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the respective transaction contemplated under each of the Framework Agreements are more than 0.1% but less than 5%, the respective transaction contemplated under each of the Framework Agreements is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## Connected Transactions

### 10. The Civil Engineering Agreement

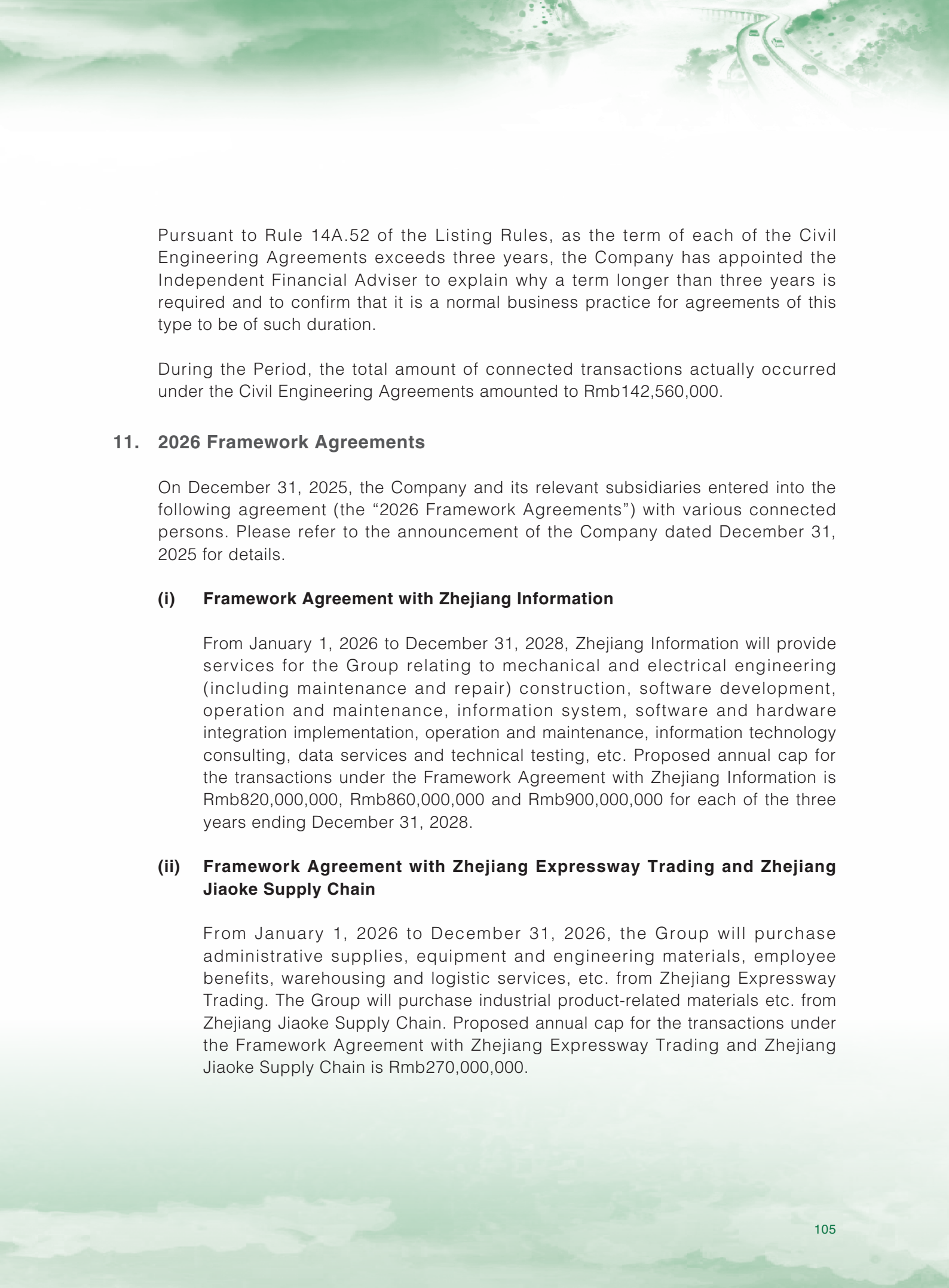
On September 25, 2025, Zhejiang Yongzhou Parallel Line Phase II Expressway Co., Ltd., a non-wholly owned subsidiary of the Company, entered into respectively (i) the TJ1 Civil Engineering Agreement with, among others, Jiaogong Group regarding the civil engineering work of the construction of Section TJ1 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway with a planned construction period of 1,672 calendar days (55 months); and (ii) the TJ4 Civil Engineering Agreement with Jiaogong Luqiao regarding the civil engineering work of the construction of Section TJ4 of Ningbo Qijiashan to Zhoushan Jintang Section of G92 Hangzhou Bay Roundabout Expressway with a planned construction period of 1,491 calendar days (49 months) (collectively the “Civil Engineering Agreements”). Please refer to the announcement of the Company dated September 25, 2025 for details.

The service fee payable to Jiaogong Group under the TJ1 Civil Engineering Agreement is approximately Rmb1,900,810,631. The total contract sum payable to Jiaogong Luqiao under the TJ4 Civil Engineering Agreement is Rmb1,425,555,580.

Each of Jiaogong Group and Jiaogong Luqiao is an indirect non-wholly owned subsidiary of Communications Group, and is therefore a connected person of the Company. As a result, the transactions contemplated under the Civil Engineering Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest annual cap for the transactions under the Civil Engineering Agreements exceed 0.1% but less than 5%, the entering into of the Civil Engineering Agreements is subject to the reporting, announcement and annual review requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.53 of the Listing Rules, the Company is required to set annual caps on the amount of the service fee payable by the Group to Jiaogong Group and Jiaogong Luqiao under the Civil Engineering Agreements. The proposed annual caps on the service fee payable under the Civil Engineering Agreements on an aggregated basis are Rmb388,000,000, Rmb823,000,000, Rmb900,000,000, Rmb900,000,000, Rmb630,000,000 and Rmb810,000,000 for each of the financial years ending December 31, 2025, 2026, 2027, 2028, 2029 and 2030, respectively.



Pursuant to Rule 14A.52 of the Listing Rules, as the term of each of the Civil Engineering Agreements exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and to confirm that it is a normal business practice for agreements of this type to be of such duration.

During the Period, the total amount of connected transactions actually occurred under the Civil Engineering Agreements amounted to Rmb142,560,000.

## **11. 2026 Framework Agreements**

On December 31, 2025, the Company and its relevant subsidiaries entered into the following agreement (the “2026 Framework Agreements”) with various connected persons. Please refer to the announcement of the Company dated December 31, 2025 for details.

### **(i) Framework Agreement with Zhejiang Information**

From January 1, 2026 to December 31, 2028, Zhejiang Information will provide services for the Group relating to mechanical and electrical engineering (including maintenance and repair) construction, software development, operation and maintenance, information system, software and hardware integration implementation, operation and maintenance, information technology consulting, data services and technical testing, etc. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Information is Rmb820,000,000, Rmb860,000,000 and Rmb900,000,000 for each of the three years ending December 31, 2028.

### **(ii) Framework Agreement with Zhejiang Expressway Trading and Zhejiang Jiaoke Supply Chain**

From January 1, 2026 to December 31, 2026, the Group will purchase administrative supplies, equipment and engineering materials, employee benefits, warehousing and logistic services, etc. from Zhejiang Expressway Trading. The Group will purchase industrial product-related materials etc. from Zhejiang Jiaoke Supply Chain. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Expressway Trading and Zhejiang Jiaoke Supply Chain is Rmb270,000,000.

## Connected Transactions

### **(iii) Framework Agreement with ZJIC**

From January 1, 2026 to December 31, 2026, ZJIC will provide services for the Group relating to the consultation, survey, design, and engineering procurement construction, etc. in relation to roads and related facilities engineering. Proposed annual cap for the transactions under the Framework Agreement with ZJIC is Rmb400,000,000.

### **(iv) Framework Agreement with Zheshang Property and Zheshang Culture**

From January 1, 2026 to December 31, 2026, Zheshang Property and Zheshang Culture will provide services for the Group relating to property management, house rental, specialized design for architectural decoration, conferences, exhibitions, advertising, news, business planning, photography, videography, cultural arts, printing and publishing, etc. Proposed annual cap for the transactions under the Framework Agreement with Zheshang Property and Zheshang Culture is Rmb70,000,000.

### **(v) Framework Agreement with Sci. & Edu. Group and Zhejiang Jiaotou Human Resources**

From January 1, 2026 to December 31, 2026, Sci. & Edu. Group and Zhejiang Jiaotou Human Resources will provide services for the Group relating to archival services, education and training services, and vocational talent services, etc. Proposed annual caps for the transactions under the Framework Agreement with Sci. & Edu. Group and Zhejiang Jiaotou Human Resources are Rmb280,000,000 and Rmb350,000,000 for each of the two years ending December 31, 2027.

### **(vi) Framework Agreement with Maintenance Co, Zhejiang Shunchang, Jiaogong Maintenance and Zhejiang Communications Resources**

From January 1, 2026 to December 31, 2026, Maintenance Co, Zhejiang Shunchang, Jiaogong Maintenance as well as Zhejiang Communications Resources and its relevant subsidiaries will provide services for the Group relating to maintenance and related raw materials supply for roads, bridges, tunnels, traffic safety facilities, toll facilities, etc., obstacle removal and rescue, road congestion control, and emergency rescue engineering, etc. Proposed annual cap for the transactions under the Framework Agreement with Maintenance Co, Zhejiang Shunchang, Jiaogong Maintenance and Zhejiang Communications Resources is Rmb900,000,000, Rmb900,000,000 and Rmb900,000,000 for each of the three years ending December 31, 2028.

**(vii) Framework Agreement with Zheshang Development, Zhejiang Communications Resources and Oceanking Development**

From January 1, 2026 to December 31, 2026, Zheshang Futures and its relevant subsidiaries will sell bulk commodities, including but not limited to industrial products such as steel, iron ore, rubber, and lithium carbonate; agricultural and sideline products such as apples, red dates, and cotton; chemical products such as PVC and caustic soda; and road petroleum asphalt and road paving materials to Zheshang Development, Zhejiang Communications Resources, Oceanking Development and their relevant subsidiaries. Zheshang Futures and its relevant subsidiaries will purchase bulk commodities, including but not limited to industrial products such as steel, iron ore, rubber, and lithium carbonate; agricultural and sideline products such as apples, red dates, and cotton; chemical products such as PVC and caustic soda; and road petroleum asphalt and road paving materials from Zheshang Development, Zhejiang Communications Resources, Oceanking Development and their relevant subsidiaries. Proposed annual cap for the bulk commodities sale transactions under the Framework Agreement with Zheshang Development, Zhejiang Communications Resources and Oceanking Development is Rmb900,000,000. Proposed annual cap for the bulk commodities purchase transactions under the Framework Agreement with Zheshang Development, Zhejiang Communications Resources and Oceanking Development is Rmb900,000,000.

**(viii) Framework Agreement with Zheshang Development**

From January 1, 2026 to December 31, 2026, Zheshang Futures and its relevant subsidiaries will provide OTC derivatives risk management services for Zheshang Development and its relevant subsidiaries. Proposed annual cap for the transactions under the Framework Agreement with Zheshang Development is: (i) the sum of the maximum option premium and margin at any point in time for the existing contracts shall not exceed Rmb500,000,000; and (ii) the maximum total business scale of the existing contracts at any point in time shall not exceed Rmb1,000,000,000.

**(ix) Framework Agreement with Zhejiang Yingtong Catering and Zheshang Jinji Shangcheng Branch**

From January 1, 2026 to December 31, 2026, Zhejiang Yingtong Catering and Zheshang Jinji Shangcheng Branch will provide services for the Group relating to catering management and delivery, etc. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Yingtong Catering and Zheshang Jinji Shangcheng Branch is Rmb38,000,000.

## Connected Transactions

### **(x) Framework Agreement with Zheshang Insurance**

From January 1, 2026 to December 31, 2026, Zheshang Insurance and its relevant subsidiaries will provide insurance services for the Group including vehicle insurance, accident insurance, liability insurance, health insurance, corporate property insurance, engineering insurance, and supplementary medical insurance, etc. Proposed annual cap for the transactions under the Framework Agreement with Zheshang Insurance is Rmb100,000,000 for the year ending December 31, 2026 and Rmb150,000,000 for the year ending December 31, 2027.

### **(xi) Framework Agreement with Zhejiang Shunchang and Jiaogong Underground Construction**

From January 1, 2026 to December 31, 2026, Zhejiang Shunchang and Jiaogong Underground Construction will provide services for the Group relating to maintenance, decoration and renovation as well as upgrading and transformation of building construction projects such as office, production and business areas, etc. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Shunchang and Jiaogong Underground Construction is Rmb170,000,000.

### **(xii) Framework Agreement with Zhejiang Information, ZJIC, HangNing Co, Ningbo Yongtaiwen Co, Hangrao Co, Commercial Group and Jiaogong Group**

From January 1, 2026 to December 31, 2026, Zhejiang Intelligent Communications will provide services for Zhejiang Information, ZJIC, HangNing Co, Ningbo Yongtaiwen Co, Hangrao Co, Commercial Group, Jiaogong Group and their relevant subsidiaries relating to sales of algorithms, software and hardware, as well as development and deployment of software, etc. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Information, ZJIC, HangNing Co, Ningbo Yongtaiwen Co, Hangrao Co, Commercial Group and Jiaogong Group is Rmb160,000,000.

### **(xiii) Framework Agreement with Zhejiang Transportation Testing and Zhejiang Zhejiao Testing**

From January 1, 2026 to December 31, 2026, Zhejiang Transportation Testing and Zhejiang Zhejiao Testing will provide services for the Group including engineering testing and evaluation services, technical testing and inspection, and certification services, etc. Proposed annual cap for the transactions under the Framework Agreement with Zhejiang Transportation Testing and Zhejiang Zhejiao Testing is Rmb58,000,000.



Communications Group is a controlling shareholder of the Company. Each of Zhejiang Information, Zhejiang Expressway Trading, Zhejiang Jiaoke Supply Chain, ZJIC, Maintenance Co, Zhejiang Shunchang, Jiaogong Maintenance, Zheshang Development, Zhejiang Communications Resources, Zheshang Insurance, Jiaogong Group, Jiaogong Underground Construction, Zheshang Property, Zheshang Culture, Sci. & Edu. Group, Zhejiang Jiaotou Human Resources, Oceanking Development, Zhejiang Yingtong Catering, Zheshang Jinji Shangcheng Branch, HangNing Co, Ningbo Yongtaiwen Co, Hangrao Co, Commercial Group, Zhejiang Transportation Testing and Zhejiang Zhejiao Testing are subsidiaries or 30%-controlled companies of Communications Group and are therefore associates of Communications Group and connected persons of the Company. As a result, the transactions contemplated under the respective Framework Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the respective transaction contemplated under each of the Framework Agreements are more than 0.1% but less than 5%, the respective transaction contemplated under each of the Framework Agreements is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

During the Period, the total amount of connected transactions actually occurred under the 2026 Framework Agreements amounted to Rmb0.

The independent non-executive Directors have reviewed the continuing connected transactions described above and confirmed that such continuing connected transactions have been entered into:

- a) in the ordinary and usual course of business of the Group;
- b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

## Connected Transactions

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements HKSAE3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirms that the auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with the Rule 14A.56 of the Listing Rules.

During the Period, details of the related party transactions and continuing related party transactions under the accounting standards for this report that the Company and its subsidiaries have entered into with Communications Group and its subsidiaries that constitute connected transactions and continuing connected transactions to be disclosed under the Listing Rules are set out in note 58 to the consolidated financial statements. The Company has complied with the disclosure requirements in respect of such connected transactions and continuing connected transactions in accordance with Chapter 14A of the Listing Rules.

# Independent auditor's report



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## To the shareholders of Zhejiang Expressway Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

### OPINION

We have audited the consolidated financial statements of Zhejiang Expressway Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 117 to 298, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional 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 opinion.

## Independent auditor's report

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="178 1110 790 1153"><i>Determination of consolidation scope of structured entities</i></p> <p data-bbox="178 1153 790 1823">The Group holds interests as investor or acted as fund manager in various structured entities including collective asset management schemes, investment funds and limited partnership enterprises. As disclosed in Note 5 to the consolidated financial statements, to determine whether a structured entity should be consolidated, management applied significant judgement in determining whether the Group had power over the structured entities, and assessed whether the combination of investments it holds together with its remuneration and credit enhancement created exposure to variability of returns from activities of the structured entities that was of such significance that it indicated the Group controlled the structured entities.</p>	<p data-bbox="790 1110 1410 1261">Our procedures in relation to management's determination of consolidation scope of structured entities included:</p> <ul data-bbox="790 1261 1410 1823" style="list-style-type: none"> <li data-bbox="790 1261 1410 1433">• Testing and evaluating key controls of the management in determining the consolidation scope of structured entities;</li> <li data-bbox="790 1433 1410 1823">• Examining, on a sample basis, the documents and information used by management in assessing the consolidation criteria of structured entities against the related agreements and other related service agreements of structured entities newly established, invested or with changes in the proportion of ownership interests or contractual terms during the year;</li> </ul>

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**Key audit matter****How our audit addressed the key audit matter***Determination of consolidation scope of structured entities (continued)*

We identified the determination of consolidation scope of the structured entities, which were invested or managed by the Group's securities operation segment (defined in Note 7), as a key audit matter due to the significant judgement applied by management in determining whether a structured entity was required to be consolidated by the Group and the significance of these balances to the Group's consolidated financial statements as a whole.

The related disclosures are included in Notes 5, 45 and 60 to the consolidated financial statements.

- Assessing management's judgement including qualitative analyses and calculations of the magnitude and variability associated with the Group's economic investments in the structured entities in determining the scope for consolidation and assessing the conclusion about whether a structured entity should be consolidated or not.
- Furthermore, we checked the appropriateness of related disclosures including the disclosures in the consolidated financial statements.

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## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

## Independent auditor's report

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.



As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 the Group'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 consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## Independent auditor's report

We communicate with the Audit Committee 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 the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lai Chee Kong (practising certificate number: P06108).

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

31 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	NOTES	12/31/2025 Rmb' 000	12/31/2024 Rmb' 000
Revenue	6	19,755,490	18,064,824
Including: interest income under effective interest method		2,907,617	2,490,359
Operating costs		(12,980,298)	(10,812,360)
Gross profit		6,775,192	7,252,464
Securities investment gains	8	2,819,166	1,735,120
Other income and gains and losses	9	802,333	889,145
Administrative expenses		(146,934)	(160,894)
Other expenses		(192,198)	(167,289)
Impairment losses under expected credit loss model, net of reversal	10	(45,077)	(19,454)
Share of profit of associates		1,175,713	939,399
Share of profit of joint ventures		148,298	130,742
Finance costs	11	(1,546,906)	(1,741,651)
Profit before tax	12	9,789,587	8,857,582
Income tax expense	13	(1,926,050)	(1,701,104)
Profit for the year		7,863,537	7,156,478
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain on equity instrument investments measured at fair value through other comprehensive income		426,150	146,710
Income tax impact relating to items that will not be reclassified subsequently to profit or loss		(106,537)	(36,677)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		319,613	110,033
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value (loss)/gain on debt instruments measured at fair value through other comprehensive income		(440,541)	314,277
Impairment loss for debt instruments at fair value through other comprehensive income		381	2,854
Income tax impact relating to items that may be reclassified subsequently to profit or loss		110,040	(79,283)
Exchange differences on translation of financial statements of foreign operations		(19,360)	6,420
Share of other comprehensive (loss)/income of associates, net of related income tax		(244,599)	251,095
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		(594,079)	495,363
Other comprehensive (loss)/income for the year, net of income tax		(274,466)	605,396
Total comprehensive income for the year		7,589,071	7,761,874

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	NOTES	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Profit for the year attributable to:			
Owners of the Company		<b>5,324,958</b>	5,501,588
Non-controlling interests		<b>2,538,579</b>	1,654,890
		<b>7,863,537</b>	7,156,478
Total comprehensive income attributable to:			
Owners of the Company		<b>5,073,759</b>	5,884,211
Non-controlling interests		<b>2,515,312</b>	1,877,663
		<b>7,589,071</b>	7,761,874
Earnings per share	17		
Basic (Rmb cents)		<b>88.62</b>	91.79
Diluted (Rmb cents)		<b>88.62</b>	90.50

# Consolidated Statement of Financial Position

December 31, 2025

	NOTES	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	18	5,855,431	5,717,903
Right-of-use assets	19	1,078,462	832,183
Expressway operating rights	20	18,764,763	19,743,837
Goodwill	21	749,031	86,867
Other intangible assets	22	741,357	428,056
Interests in associates	24	14,870,228	17,210,739
Interests in joint ventures	25	3,280,335	2,400,437
Financial assets at fair value through profit or loss ("FVTPL")	26	647,862	485,931
Equity investments designated at fair value through other comprehensive income ("FVTOCI")	27	6,582,446	1,708,759
Debt instruments at FVTOCI	28	16,013,782	11,412,165
Other receivables and prepayments	31	1,641,169	985,608
Deferred tax assets	47	1,551,257	1,274,351
Time deposits	34	7,144,557	8,971,236
		<b>78,920,680</b>	71,258,072
<b>CURRENT ASSETS</b>			
Inventories		1,785,748	1,235,112
Trade receivables	29	1,377,184	1,050,498
Loans to customers arising from margin financing business	30	38,964,285	24,224,342
Other receivables and prepayments	31	6,220,810	4,332,270
Dividends receivable		11,711	2,000
Derivative financial assets	39	409,775	570,461
Financial assets at FVTPL	26	49,832,095	35,536,634
Debt instruments at FVTOCI	28	1,736,635	1,022,862
Financial assets held under resale agreements	32	7,275,187	5,491,056
Bank balances and clearing settlement fund held on behalf of customers	33	72,841,948	49,066,356
Bank balances, clearing settlement fund, deposits and cash			
– Restricted bank balances and cash	34	116,834	80,259
– Time deposits with original maturity over three months	34	10,354,097	2,379,965
– Cash and cash equivalents	34	23,565,920	20,932,480
		<b>214,492,229</b>	145,924,295

# Consolidated Statement of Financial Position

December 31, 2025

	NOTES	12/31/2025 Rmb' 000	12/31/2024 Rmb' 000
<b>CURRENT LIABILITIES</b>			
Placements from other financial institutions	35	5,418,251	1,750,000
Accounts payable to customers arising from securities business	36	72,298,470	48,397,105
Trade payables	37	1,202,172	1,143,206
Tax liabilities		862,876	784,814
Other taxes payable		394,649	339,171
Other payables and accruals	38	10,941,063	10,132,003
Provision		5,039	–
Dividends payable		697,118	457,656
Contract liabilities		120,613	123,582
Derivative financial liabilities	39	609,125	558,131
Bank and other borrowings	40	2,340,672	2,507,616
Short-term financing notes payable	41	13,585,207	7,085,628
Bonds payable	42	19,328,956	10,994,506
Convertible bonds	43	–	224,867
Financial assets sold under repurchase agreements	44	34,432,762	23,139,450
Financial liabilities at FVTPL	45	577,701	480,553
Lease liabilities	46	203,143	147,689
		<b>163,017,817</b>	108,265,977
<b>NET CURRENT ASSETS</b>			
		<b>51,474,412</b>	37,658,318
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>130,395,092</b>	108,916,390
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	40	15,496,333	14,577,484
Bonds payable	42	20,889,600	19,876,048
Deferred tax liabilities	47	499,519	518,088
Lease liabilities	46	460,306	246,406
		<b>37,345,758</b>	35,218,026
<b>NET ASSETS</b>			
		<b>93,049,334</b>	73,698,364
<b>CAPITAL AND RESERVES</b>			
Share capital	48	6,038,115	5,993,801
Reserves		44,342,158	40,047,152
Equity attributable to owners of the Company		50,380,273	46,040,953
Non-controlling interests	49	42,669,061	27,657,411
		<b>93,049,334</b>	73,698,364

The consolidated financial statements on pages 117 to 298 were approved and authorised for issue by the board of directors on March 31, 2026 and are signed on its behalf by:

**Yuan. Yingjie**  
Director

**Li. Wei**  
Director

# Consolidated Statement of Changes in Equity

Year ended December 31, 2025

	Attributable to owners of the Company											
	Share capital	Share premium	Statutory reserve	Capital reserve	Investment revaluation reserve	Share of differences arising on translation	Dividend reserve	Special reserves	Retained profits	Sub-total	Non-controlling interests	Total
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
			(Note i)					(Note ii)				
At January 1, 2025	5,993,801	7,805,445	6,885,424	1,712	499,133	10,992	2,307,613	11,229,616	11,307,217	46,040,953	27,657,411	73,698,364
Profit for the year	-	-	-	-	-	-	-	-	5,324,958	5,324,958	2,538,579	7,863,537
Other comprehensive income for the year	-	-	-	-	(245,863)	(5,336)	-	-	-	(251,199)	(23,267)	(274,466)
Total comprehensive income for the year	-	-	-	-	(245,863)	(5,336)	-	-	5,324,958	5,073,759	2,515,312	7,589,071
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	9,000,056	9,000,056
Dividend declared to non-controlling interests 2024 dividend (Note 16)	-	-	-	-	-	-	(2,307,613)	-	-	(2,307,613)	-	(2,307,613)
Equity dilution from non-controlling shareholder's capital injection	-	-	1,316,229	-	-	-	-	-	-	1,316,229	5,372,491	6,688,720
Acquisition of non-controlling interests	-	-	(264)	-	-	-	-	-	-	(264)	(447)	(711)
Transfer of fair value reserve upon the disposal of equity investments at FVTOCI	-	-	-	-	(41,451)	-	-	-	41,451	-	-	-
Conversion of Convertible Bond 2021 (Note 43)	44,314	212,895	-	-	-	-	-	-	-	257,209	-	257,209
Proposed 2025 dividend	-	-	-	-	-	-	2,385,055	-	(2,385,055)	-	-	-
Transfer to reserves	-	-	529,356	-	-	-	-	-	(529,356)	-	-	-
At December 31, 2025	6,038,115	8,018,340	8,730,745	1,712	211,819	5,656	2,385,055	11,229,616	13,759,215	50,380,273	42,669,061	93,049,334

# Consolidated Statement of Changes in Equity

Year ended December 31, 2025


	Attributable to owners of the Company											Total Rmb'000
	Share capital Rmb'000	Share premium Rmb'000	Statutory reserve Rmb'000 (Note i)	Capital reserve Rmb'000	Investment revaluation reserve Rmb'000	Share of differences arising on translation Rmb'000	Dividend reserve Rmb'000	Special reserves Rmb'000 (Note ii)	Retained profits Rmb'000	Sub-total Rmb'000	Non-controlling interests Rmb'000	
At January 1, 2024	5,993,498	7,804,112	6,560,840	1,712	118,893	8,609	1,917,919	8,948,807	8,437,826	39,792,216	20,612,897	60,405,113
Profit for the year	-	-	-	-	-	-	-	5,501,588	5,501,588	5,501,588	1,654,890	7,156,478
Other comprehensive income for the year	-	-	-	-	380,240	2,383	-	-	-	382,623	222,773	605,396
Total comprehensive income for the year	-	-	-	-	380,240	2,383	-	-	5,501,588	5,884,211	1,877,663	7,761,874
Conversion and redemption of Convertible Bond												
2022 of a subsidiary	-	-	-	-	-	-	-	1,430,070	-	1,430,070	5,226,701	6,656,771
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(753,151)	(753,151)
Capital reserve change of associates	-	-	-	-	-	-	-	63,908	-	63,908	-	63,908
Capital reserve change relating to REITs measurement	-	-	-	-	-	-	-	786,831	-	786,831	693,301	1,480,132
2023 dividend (Note 16)	-	-	-	-	-	-	(1,917,919)	-	-	(1,917,919)	-	(1,917,919)
Proposed 2024 dividend	-	-	-	-	-	-	2,307,613	-	(2,307,613)	-	-	-
Conversion of Convertible Bond 2021 (Note 43)	303	1,333	-	-	-	-	-	-	-	1,636	-	1,636
Transfer to reserves	-	-	324,584	-	-	-	-	-	(324,584)	-	-	-
At December 31, 2024	5,993,801	7,805,445	6,885,424	1,712	499,133	10,992	2,307,613	11,229,616	11,307,217	46,040,953	27,657,411	73,698,364

Notes:

(i) Statutory reserves comprise:

(a) Statutory surplus reserve

In accordance with the Company Law of the People's Republic of China (the "PRC") and the respective articles of association of the Company and its subsidiaries (collectively the "Entities"), the Entities are required to allocate 10% of the profit after tax, as determined in accordance with the PRC accounting standards and regulations applicable to the Entities, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the respective Entities. Subject to certain restrictions set out in the Company Law of the PRC and the respective articles of association of the Entities, part of the statutory surplus reserve may be converted to increase the respective Entities' capital.



Notes: (continued)

(i) Statutory reserves comprise: (continued)

(b) General risk reserve

In accordance with the Finance Regulation for Financial Enterprises, securities companies are required to allocate 10% of the profit after tax, as determined in accordance with the PRC accounting standards and regulations, to the general risk reserve. This general risk reserve may be used to cover potential losses on risk exposures.

(c) Transaction risk reserve

In accordance with the Securities Law of the PRC, securities companies are required to allocate not less than 10% of the profit after tax, as determined in accordance with the PRC accounting standards and regulations, to the transaction risk reserve. This transaction risk reserve may be used to cover potential losses on securities transactions.

(ii) Special reserves mainly comprise:

(a) Other reserve which was arising from the Group's change of interests in subsidiaries. The amount represented the difference between the carrying value of net assets attributable to the Group acquired and the payment consideration arising from acquisition, or the dilute gain or loss of interests in subsidiaries.

(b) Other reserve which was arising from the spin-off and offering of shares by Zheshang Securities Co., Ltd. ("Zheshang Securities") in prior years.

(c) Other reserve which was arising from the Group's change of interest in an associate. The amount represented the difference between the carrying value of net assets attributable to the Group arising from the associate's ownership interest change in its subsidiaries other than those recognised in profit or loss or other comprehensive income.

(d) Merger reserve which was arising from the acquisition of subsidiaries under common control using the merger accounting method. This includes the capital of the combining entities at their existing book values since the first day they were under common control and were reduced by the Group's payment of cash consideration to the controlling party.

## Consolidated Statement of Cash Flows

Year ended December 31, 2025

	Year ended 12/31/2025 <i>Rmb'000</i>	Year ended 12/31/2024 <i>Rmb'000</i>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>9,789,587</b>	8,857,582
Adjustments for:		
Finance costs	<b>1,546,906</b>	1,741,651
Interest income from financial institutions	<b>(480,118)</b>	(474,167)
Interest income from debt instruments at FVTOCI	<b>(116,683)</b>	(382,158)
Foreign exchange differences, net	<b>(57,155)</b>	(111,032)
Share of profit of associates	<b>(1,175,713)</b>	(939,399)
Share of profit of joint ventures	<b>(148,298)</b>	(130,742)
Depreciation of property, plant and equipment	<b>929,462</b>	868,385
Amortisation of expressway operating rights	<b>2,668,056</b>	2,668,841
Depreciation of right-of-use assets	<b>211,452</b>	160,055
Amortisation of other intangible assets	<b>157,423</b>	115,145
Impairment losses under expected credit loss model, net of reversal		
– debt instruments at FVTOCI	<b>4,727</b>	2,854
– trade receivables and other receivables	<b>25,981</b>	23,676
– loans to customers arising from margin financing business	<b>10,397</b>	7,613
– financial assets held under resale agreements	<b>3,972</b>	(14,689)
(Reversal of write-down)/allowance for write-down of inventories	<b>(35,019)</b>	44,980
Loss on disposal of property, plant and equipment	<b>16,751</b>	10,149
Loss on change in fair value in respect of derivative component of Convertible Bond 2021	<b>10,022</b>	2,676
Loss on fair value changes of financial assets at FVTPL	<b>65,892</b>	652,062
Gain on disposal of debt instruments at FVTOCI	<b>(188,754)</b>	(75,304)
Gain arising from increasing interests of an associate	<b>–</b>	(20,765)

	Year ended 12/31/2025 <i>Rmb'000</i>	Year ended 12/31/2024 <i>Rmb'000</i>
Operating cash flows before movements in working capital	<b>13,238,888</b>	13,007,413
(Increase)/decrease in inventories	<b>(515,617)</b>	26,278
Increase in trade receivables	<b>(257,649)</b>	(233,020)
Increase in loans to customers arising from margin financing business	<b>(9,621,780)</b>	(4,297,194)
(Increase)/decrease in other receivables and prepayments	<b>(2,640,893)</b>	1,831,686
Decrease in financial assets at FVTPL	<b>3,941,501</b>	5,448,751
(Increase)/decrease in financial assets held under resale agreements	<b>(1,301,958)</b>	2,253,035
(Increase)/decrease in restricted bank balances	<b>(36,575)</b>	20,372
Increase in bank balances and clearing settlement fund held on behalf of customers	<b>(17,604,435)</b>	(3,651,139)
Decrease in net derivative financial assets	<b>211,680</b>	270,753
Increase/(decrease) in placements from other financial institutions	<b>855,574</b>	(200,000)
Increase in accounts payable to customers arising from securities business	<b>17,237,147</b>	3,593,782
Increase/(decrease) in trade payables	<b>53,999</b>	(121,968)
Increase in other taxes payable	<b>109,554</b>	106,710
(Decrease)/increase in contract liabilities	<b>(5,216)</b>	19,582
Increase/(decrease) in other payables and accruals	<b>1,402,760</b>	(4,643,964)
Increase in financial liabilities at FVTPL	<b>97,148</b>	8,492
Increase/(decrease) in financial assets sold under repurchase agreements	<b>2,586,006</b>	(1,452,695)
Cash generated from operations	<b>7,750,134</b>	11,986,874
Income taxes paid	<b>(2,018,383)</b>	(1,378,435)
Interest paid	<b>(1,528,269)</b>	(1,526,414)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>4,203,482</b>	9,082,025

## Consolidated Statement of Cash Flows

Year ended December 31, 2025

	Year ended 12/31/2025 <i>Rmb'000</i>	Year ended 12/31/2024 <i>Rmb'000</i>
INVESTING ACTIVITIES		
Interest received	271,610	630,448
Dividends received from associates	766,961	749,772
Investment in associates	(50,000)	(24,316)
Investment in joint ventures	(731,600)	(707,700)
Withdrawal of investment in associates	89,594	17,949
Withdrawal of entrusted loans	360,000	180,000
Proceeds on disposal of property, plant and equipment	16,854	566
Proceeds on disposal or redemption of FVTOCI	7,738,567	3,847,197
Purchases of property, plant and equipment	(1,541,391)	(816,229)
Payment of expressway construction	(1,769,359)	(1,226,282)
Purchases of leasehold lands	(8,796)	(2,218)
Purchases of other intangible assets	(151,589)	(105,920)
Purchase of		
– financial assets at FVTPL	(86,351)	(204,738)
– debt instruments at FVTOCI	(12,227,554)	(7,773,836)
– equity instruments at FVTOCI	(4,447,222)	(1,562,079)
Payment of equity investment	(49,648)	(4,446,755)
Payment of entrusted loans	(180,000)	(180,000)
Placement of time deposits	(8,069,589)	(5,136,698)
Withdrawal of time deposits	2,231,664	1,430,389
Acquisition of a subsidiary	1,585,305	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(16,252,544)</b>	<b>(15,330,450)</b>

	NOTE	Year ended 12/31/2025 Rmb'000	Year ended 12/31/2024 Rmb'000
<b>FINANCING ACTIVITIES</b>			
Dividends paid		<b>(2,304,352)</b>	(1,927,130)
Dividends paid to non-controlling shareholders		<b>(1,636,302)</b>	(686,503)
New bank and other borrowings raised		<b>5,433,245</b>	8,403,117
Repayment of bank and other borrowings		<b>(4,678,453)</b>	(9,188,783)
New entrusted loans raised		–	3,218,141
Repayment of entrusted loans		–	(3,150,810)
New issue of bonds payable, including assets- backed bonds		<b>18,065,920</b>	8,500,000
Repayment of bonds payable		<b>(11,700,000)</b>	(5,000,000)
Repayment of Convertible Bond 2021 and Convertible Bond 2022		–	(1,600,571)
Issue of short-term financing notes payable		<b>22,768,740</b>	10,243,270
Repayment of short-term financing notes payable		<b>(17,696,980)</b>	(5,306,150)
Repayments of lease liabilities		<b>(202,735)</b>	(160,536)
Purchase of non-controlling interests		<b>(35,941)</b>	–
Capital injection by non-controlling shareholders		<b>6,688,720</b>	–
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>14,701,862</b>	3,344,045
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,652,800</b>	(2,904,380)
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>		<b>20,932,480</b>	23,830,440
Effect of foreign exchange rate changes		<b>(19,360)</b>	6,420
<b>TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, represented by</b>	34	<b>23,565,920</b>	20,932,480
Cash and cash equivalents		<b>23,565,920</b>	20,932,480

# Notes to the Consolidated Financial Statements

December 31, 2025

## 1. CORPORATE INFORMATION

Zhejiang Expressway Co., Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC”) with limited liability on March 1, 1997. The H shares of the Company (“H Shares”) were subsequently listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on May 15, 1997.

On July 18, 2000, with the approval of the Ministry of Foreign Trade and Economic Co-operation of the PRC, the Company changed its business registration into a Sino-foreign joint stock limited company.

In the opinion of the directors of the Company (the “Directors”), the immediate and ultimate holding company of the Company is Zhejiang Communications Investment Group Co., Ltd. (the “Communications Group”), a state-owned enterprise established in the PRC.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements are presented in Renminbi (“Rmb”), which is also the functional currency of the Company.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) during the current year are involved in the following principal activities:

- (a) the construction, operation, maintenance and management of high grade roads;
- (b) the provision of securities and futures broking services, margin financing and securities lending services, securities underwriting and sponsorship services, asset management, advisory services and proprietary trading;
- (c) the hotel operation, investment in other financial institutions and other ancillary services.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

#### New and Amendments to HKFRS Accounting Standards in issue but not yet effective

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

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendment	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

- 1 Effective for annual periods beginning on or after 1 January 2026
- 2 Effective for annual/reporting periods beginning on or after 1 January 2027
- 3 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

### **New and Amendments to HKFRS Accounting Standards in issue but not yet effective (continued)**

#### **HKFRS 18 *Presentation and Disclosure in Financial Statements***

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

#### **New and Amendments to HKFRS Accounting Standards in issue but not yet effective (continued)**

##### **HKFRS 19 *Subsidiaries without Public Accountability: Disclosures***

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

**New and Amendments to HKFRS Accounting Standards in issue but not yet effective (continued)**

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

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

#### **New and Amendments to HKFRS Accounting Standards in issue but not yet effective (continued)**

##### ***Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity***

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

##### ***Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

### New and Amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

#### **Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency***

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

#### **Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7**

Annual Improvements to *HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures***: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

#### New and Amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

##### Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (continued)

- *HKFRS 9 Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.



### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.



## **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **Basis of consolidation (continued)**

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Change in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in the profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



## **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **Business combinations or asset acquisitions**

#### **Optional concentration test**

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

#### **Asset acquisitions**

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or a gain on bargain purchase.

#### **Business combinations**

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Business combinations or asset acquisitions (continued)

#### Business combinations (continued)

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “Conceptual Framework”) except for transactions and events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Business combinations or asset acquisitions (continued)

#### Business combinations (continued)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at the acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Business combinations or asset acquisitions (continued)

#### Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statement items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or a gain on bargain purchase at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

#### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.



## **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **Business combinations or asset acquisitions (continued)**

#### **Goodwill (continued)**

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of associates and joint venture is described below.

#### **Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

# Notes to the Consolidated Financial Statements

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## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.



## **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **Investments in associates and joint ventures (continued)**

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

### **Changes in the Group's interests in associates and joint ventures**

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

### *Acquisition of additional interests in associates or joint ventures*

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at the acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of the carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid is recognised in the profit or loss in the period in which the additional interests are acquired.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 6.

### Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Property, plant and equipment (continued)

The estimated useful lives and annual depreciation rates (except for construction in progress), after taking into account the residual value, adopted by the Group are set out below:

	Estimated useful life	Annual depreciation rate
Leasehold land and buildings	20 – 50 years	1.9% – 4.9%
Hotel	30 years	3.2%
Ancillary facilities	10 – 30 years	3.2% – 9%
Communication and signalling equipment	5 years	19.4%
Motor vehicles	5 – 10 years	9.5% – 19.4%
Machinery and equipment	3 – 10 years	9.5% – 32.3%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Intangible assets (continued)

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

#### Expressway operating rights under service concession arrangements

When the Group has a right to charge for usage of concession infrastructure, it recognises concession intangible assets based on fair value of the consideration paid upon initial recognition. Subsequent costs incurred on expressway widening projects and upgrading services are recognised as additional costs of the expressway operating rights. The concession intangible assets representing expressway operating rights are carried at cost less accumulated amortisation and any accumulated impairment losses, if any.

The concession intangible assets are amortised to write off their cost over their expected useful lives in the remaining concession period on a straight-line basis.

Costs in relation to the day-to-day servicing, repairs and maintenance of the expressway infrastructures are recognised as expenses in the periods in which they are incurred.



#### **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

##### **Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an individual asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### **Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)**

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



## **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### **Inventories**

Inventories include consumables and parts for toll road operation, maintenance and hotel service and those commodities held for sale arising from the securities business.

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases

#### Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, the modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### The Group as lessee

##### *Right-of-use assets*

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, 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 are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from the commencement date to the end of the useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as lessee (continued)

##### *Refundable rental deposits*

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

##### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Leases (continued)

##### The Group as lessee (continued)

###### *Lease liabilities (continued)*

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, 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.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

###### *Lease modifications*

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as lessee (continued)

##### *Lease modifications (continued)*

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### The Group as a lessor

##### *Classification and measurement of leases*

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Leases for which the Group is a lessor are all classified as operating leases for the reporting period.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which is derived from the Group's ordinary course of business is presented as other income.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

#### The Group as a lessor (continued)

##### *Allocation of consideration to components of a contract*

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* (“HKFRS 15”) to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from the lease component on the basis of their relative stand-alone selling prices.

##### *Refundable rental deposits*

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

##### *Lease modification*

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

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

### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.



## **4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **Foreign currencies (continued)**

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e., Rmb) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of share of differences arising on translation (attributed to non-controlling interests as appropriate).

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Government grants (continued)

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under other income and gains and losses.

### Employee benefits

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

#### Termination benefits

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

#### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset. A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

### Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised 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 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 recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Taxation (continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group’s ordinary course of business is presented as revenue.

### Financial assets

#### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Classification and subsequent measurement of financial assets (continued)*

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both selling financial assets and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Classification and subsequent measurement of financial assets (continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments/receivables are recognised in other comprehensive income and accumulated under the FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

# Notes to the Consolidated Financial Statements

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## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Classification and subsequent measurement of financial assets (continued)*

##### (iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “securities investment gains” line item.

##### *Impairment of financial assets subject to impairment assessment under HKFRS 9*

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, loans to customers arising from margin financing business, bank balances, clearing settlement fund, deposits and cash, pledged bank deposits, bank balances and clearing settlement fund held on behalf of customers, financial assets held under agreements and other receivables), which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECLs on the asset are assessed collectively using a provision matrix with appropriate groupings.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast 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;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

(i) Significant increase in credit risk (continued)

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 past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default ("PD"), loss given default ("LGD") (i.e., the magnitude of the loss if there is a default) and the exposure at default ("EAD"). The assessment of the PD and LGD is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

(v) Measurement and recognition of ECL (continued)

For ECLs on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade receivables is considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The allowances for ECL for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the allowance for ECL is charged to profit or loss and is recognised in OCI.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Derecognition/modification of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial assets (continued)

##### *Financial assets held under resale agreements*

Financial assets held under resale agreements where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements, the cash advanced by the Group is recognised as secured loans and receivables and presented as amounts held under resale agreements in the consolidated statement of financial position. The difference between the purchase and resale considerations is amortised over the period of the respective agreements using the effective interest method and is included in interest income.

Financial assets sold subject to agreements with a commitment to repurchase at a specific future date and price are not derecognised in the consolidated statement of financial position. The proceeds from selling such assets are presented under “financial assets sold under repurchase agreements” in the consolidated statement of financial position. The difference between the selling price and repurchasing price is recognised as interest expense during the term of the agreement using the effective interest method.

##### *Securities lending arrangement*

The Group lends investment securities to clients and requires cash and/or equity securities from customers held as collateral under such securities lending agreements. The cash collateral arisen from these is included in “accounts payable to customers arising from securities business”. For those securities held by the Group and lent to clients that do not result in the derecognition of financial assets, the collateral is included in financial assets at FVTPL.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *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 by the Group are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of being repurchased in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity (continued)

##### *Financial liabilities at FVTPL (continued)*

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible bonds, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

##### *Financial liabilities at amortised cost*

Financial liabilities including accounts payable to customers arising from securities business, trade payables, other payables, dividends payable, bank and other borrowings, placements from other financial institutions, short-term financing notes payable, financial assets sold under repurchase agreements, bonds payable and convertible bonds are subsequently measured at amortised cost, using the effective interest method.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity (continued)

##### *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

##### *Convertible bond containing debt and derivative components*

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative component are recognised at fair value. In subsequent periods, the debt component of the Convertible Bond 2021 carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bond are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bond using the effective interest method.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity (continued)

##### *Convertible bond containing equity component*

The component parts of the convertible bond are classified separately as a financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivative features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. In case of a convertible bond issued by a subsidiary, the equity component of the subsidiary is classified as and grouped under non-controlling interests by the Group on consolidation. Where the conversion option remains unexercised at the maturity date of the convertible bond, the balance recognised in equity will be transferred to reserves. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity (continued)

##### *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “Other income gains and losses” line item in profit or loss (Note 9) as part of “Exchange losses, net” for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined using that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

##### *Derecognition/modification of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. The above said fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 percent.



## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Financial liabilities and equity (continued)

##### *Derecognition/modification of financial liabilities (continued)*

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

#### Derivative financial instruments

Derivatives are initially recognised at fair value at the date derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### *Embedded derivatives*

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

#### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Determination of consolidation scope of structured entities

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as a fund manager and/or an investor, controls a structured entity. The principle of control sets out the following three elements of control: (a) power over these entities; (b) exposure, or rights, to variable returns from involvement with these entities; and (c) the ability to use power over these entities to affect the amount of the investor's returns. The Group reassesses whether or not it controls a structured entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

For collective asset management schemes, investment funds and limited partnership enterprises where the Group involves as a manager and/or an investor, the Group considers the scope of its decision-making authority and assesses whether the combination of investments it holds, if any, together with its remuneration and credit enhancements, creates exposure to variability of returns from the activities of the collective asset management schemes and investment funds that is of such significance that it indicates that the Group is a principal. The collective asset management schemes and investment funds are consolidated if the Group acts as a principal.

For the asset-backed special program ("ABS Program") where the Group involves as an investor while providing operational service in relation to the underlying assets, in the evaluation of whether the Group has power over the ABS Program, the following factors are taken into consideration: (a) the relevant activities of the ABS Program and decision-making process to direct them; (b) the scope of the Group's decision-making authority, in terms of the Group's share of percentage within the subordinated class of the ABS Program, responsibilities for the daily operation of the underlying assets pursuant to an operation service agreement, and other rights and responsibilities in relation to the ABS Program; and (c) substantive rights exercisable by other parties in the ABS Program. Besides, in the evaluation of variable returns from involvement with the ABS Program, the Group mainly considers its level of rewards and risks exposed, including the investment return of the subordinated class, service rewards and commitment from the operational service provided in relation to the underlying assets and other commitments.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less cost of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, an impairment loss may arise.

As at December 31, 2025, the carrying amount of goodwill was Rmb749,031,000 (net of accumulated impairment loss) (2024: Rmb86,867,000 (net of accumulated impairment loss)). Details of the impairment testing are disclosed in Note 23.

### Measurement of ECL for loans to customers arising from margin financing business and financial assets held under resale agreements

The Group estimates the amount of loss allowance for ECL on its loans to customers arising from margin financing business and financial assets held under resale agreements. The asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss are taken into account for determining the loss allowance amount. The assessment of the credit risk of loans to customers arising from margin financing business and financial assets held under resale agreements involves a high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty (continued)

#### Measurement of ECL for loans to customers arising from margin financing business and financial assets held under resale agreements (continued)

The following significant judgements and estimations are required in applying the accounting requirements for measuring the ECL:

##### *Significant increase of credit risk*

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to Note 54 for more details.

##### *Establishing groups of assets with similar credit risk characteristics*

When ECLs are measured on a collective basis, the financial instruments are grouped based on shared risk characteristics. Refer to Note 54 for details of the characteristics considered in this judgement. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change, there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets move from 12-month to lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

##### *Models and assumptions used*

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of assets, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. Refer to Note 54(b) for more details on ECL.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Key sources of estimation uncertainty (continued)

##### Measurement of ECL for loans to customers arising from margin financing business and financial assets held under resale agreements (continued)

###### *Forward-looking information*

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to Note 54(b) for more details.

###### *PD*

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

###### *LGD*

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

#### Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Group has set up a valuation team, which is headed by the Chief Financial Officer of the Group, to determine the appropriate valuation techniques and inputs for fair value measurements.

The Group uses various valuation techniques to determine the fair value of financial instruments which are not quoted in an active market. Valuation techniques include the use of discounted cash flow analysis, models or other valuation methods as appropriate. To the extent practical, models use only observable data; however areas such as credit risk of the Group and the counterparty, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

## 6. REVENUE

### (i) Disaggregation of revenue from contracts with customers

Segments	Year ended 12/31/2025			Year ended 12/31/2024		
	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>
<b>Types of goods or services</b>						
Toll operation	10,387,655	–	–	10,662,346	–	–
Securities operation						
Asset management services	–	441,720	–	–	507,261	–
Securities and futures commission	–	3,403,324	–	–	2,454,219	–
Investment banking services	–	797,952	–	–	730,667	–
	–	4,642,996	–	–	3,692,147	–
Others						
Hotel operating and catering services	–	–	101,628	–	–	108,251
Construction service revenue	–	–	1,690,252	–	–	1,070,362
Revenue from PPP project	–	–	25,342	–	–	41,359
	–	–	1,817,222	–	–	1,219,972
<b>Total</b>	<b>10,387,655</b>	<b>4,642,996</b>	<b>1,817,222</b>	10,662,346	3,692,147	1,219,972
<b>Timing of revenue recognition</b>						
A point in time	10,387,655	4,642,996	101,628	10,662,346	3,692,147	108,251
Over time	–	–	1,715,594	–	–	1,111,721
<b>Total</b>	<b>10,387,655</b>	<b>4,642,996</b>	<b>1,817,222</b>	10,662,346	3,692,147	1,219,972

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Year ended 12/31/2025 <i>Rmb'000</i>	Year ended 12/31/2024 <i>Rmb'000</i>
Toll operation	10,387,655	10,662,346
Securities operation	4,642,996	3,692,147
Others	1,817,222	1,219,972
Revenue from contracts with customers	16,847,873	15,574,465
Interest under effective interest method	2,907,617	2,490,359
Total revenue	19,755,490	18,064,824

# Notes to the Consolidated Financial Statements

December 31, 2025

## 6. REVENUE (CONTINUED)

### (ii) Performance obligations for contracts with customers and revenue recognition policies

#### **Toll operation**

Revenue arising from toll operation is recognised at the point in time when the vehicles exit the toll expressway, of which the Group operates part or all of it.

Revenue from toll operation is based on the toll rates determined by government authorities. It is settled by government agencies on a monthly basis.

#### **Hotel operation and catering services**

In respect of hotel operation and catering services, the Group recognises revenue at the point in time when the services are provided.

#### **Asset management services**

The Group provides asset management services in respect of wealth management products, and is entitled to management fees of these products for its services rendered to customers. Performance obligation is satisfied over the term of the respective wealth management products. Management fees of wealth management products are recognised to the extent that it is highly probable that such recognition will not result in a significant revenue reversal in the future when the uncertainty associated with the quantum of management fees is subsequently resolved. Therefore, in practice the variable management fees can only be recognised upon dividend distribution, withdrawal of investors or liquidation of products.

Most contracts with customers have original expected duration of less than one year and therefore information about their remaining performance obligations is not disclosed.

#### **Securities brokerage services**

Commission and fee income arising from securities brokerage services is recognised at the point in time when the service is provided and performance obligation is satisfied when the brokerage of customers' securities, futures or option contracts dealing is completed. Fees are usually received shortly after the services are provided.



## **6. REVENUE (CONTINUED)**

### **(ii) Performance obligations for contracts with customers and revenue recognition policies (continued)**

#### **Investment banking services**

The Group provides financial advisory services to its customers. The Group recognises the revenue at the point in time when the services are provided. They are usually collected within one month when they become due.

The Group provides sponsoring and underwriting services to its customers for issue of equity or debt instruments to investors. Performance obligation is satisfied when the issue of these equity or debt instruments is completed. The fees are usually collected within one month when they become due.

#### **Construction service revenue and revenue from PPP project**

For participation in public infrastructure construction business in the form of Public-Private Partnership (“PPP”) arrangements, the Group accounts for the construction phase of the project in accordance with HKFRS 15 to determine the Group’s status as the principal versus agent. The revenue is recognised over time and a contract asset is recognised, which is presented as an intangible asset named “Expressway operating rights”. The progress towards complete satisfaction of the performance obligation for each contract is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs.

When the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the government authorities or their designators for the construction services and the government authorities or their designators have little, if any, discretion to avoid payment, usually because the agreement is enforceable by law, it recognises a financial asset at fair value upon initial recognition. Subsequent to initial recognition, the financial asset is carried at amortised cost using the effective interest method, less any identified impairment losses.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 6. REVENUE (CONTINUED)

#### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

There were no material unsatisfied or partially unsatisfied remaining performance obligations as at December 31, 2025.

### 7. OPERATING SEGMENTS

Information reported to the General Manager of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- (i) Toll operation – the operation and management of high grade roads and the collection of expressway tolls.
- (ii) Securities operation – the securities and futures broking, margin financing and securities lending, securities underwriting and sponsorship, asset management, advisory services and proprietary trading.
- (iii) Others – hotel operation, high grade road construction, investment in other financial institutions and other ancillary services.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

#### For the year ended December 31, 2025

	Toll operation <i>Rmb' 000</i>	Securities operation <i>Rmb' 000</i>	Others <i>Rmb' 000</i>	Total <i>Rmb' 000</i>
Revenue – external customers	10,387,655	7,550,613	1,817,222	19,755,490
Segment profit	4,305,474	2,815,198	742,865	7,863,537

## 7. OPERATING SEGMENTS (CONTINUED)

### Segment revenue and results (continued)

For the year ended December 31, 2024

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Revenue – external customers	10,662,346	6,182,506	1,219,972	18,064,824
Segment profit	4,401,544	1,980,294	774,640	7,156,478

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment profit represents the profit after tax of each operating segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	Segment assets		Segment liabilities	
	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Toll operation	<b>54,263,447</b>	46,434,199	<b>(22,404,393)</b>	(25,321,735)
Securities operation	<b>227,612,283</b>	159,916,026	<b>(177,488,361)</b>	(117,566,517)
Others	<b>10,788,148</b>	10,745,275	<b>(470,821)</b>	(595,751)
Total segment assets (liabilities)	<b>292,663,878</b>	217,095,500	<b>(200,363,575)</b>	(143,484,003)
Goodwill	<b>749,031</b>	86,867	–	–
Consolidated assets (liabilities)	<b>293,412,909</b>	217,182,367	<b>(200,363,575)</b>	(143,484,003)

Segment assets and segment liabilities represent the assets and liabilities of the subsidiaries operating in the respective reportable and operating segments.

## Notes to the Consolidated Financial Statements

December 31, 2025

## 7. OPERATING SEGMENTS (CONTINUED)

## Other segment information

Amounts included in the measure of segment profit/(loss) or segment assets:

## For the year ended December 31, 2025

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Income tax expense	1,309,738	616,312	–	1,926,050
Interest income from financial institutions	479,922	–	196	480,118
Interest expenses	545,922	988,214	12,770	1,546,906
Impairment losses on loans to customers arising from margin financing business, recognised in profit or loss	–	10,397	–	10,397
Impairment losses on trade receivables, net of reversal	9,237	6,278	1,608	17,123
Interests in associates	2,531,116	3,547,618	8,791,494	14,870,228
Interests in joint ventures	3,280,335	–	–	3,280,335
Share of profit of associates	219,403	189,405	766,905	1,175,713
Share of profit of joint ventures	148,298	–	–	148,298
Net gains arising from financial assets at FVTPL	–	2,418,958	–	2,418,958
Loss on changes in fair value in respect of the derivative component of convertible bond	(10,022)	–	–	(10,022)
Additions to non-current assets (Note)	3,302,982	873,927	4,482	4,181,391
Depreciation and amortisation	3,409,902	533,659	22,832	3,966,393

## 7. OPERATING SEGMENTS (CONTINUED)

### Other segment information (continued)

For the year ended December 31, 2024

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Income tax expense	1,279,788	416,940	4,376	1,701,104
Interest income from financial institutions	473,839	–	328	474,167
Interest expenses	756,301	966,160	19,190	1,741,651
Impairment losses on loans to customers arising from margin financing business, recognised in profit or loss	–	7,613	–	7,613
Impairment losses on trade receivables, net of reversal	14,986	(754)	(232)	14,000
Interests in associates	2,725,259	5,909,180	8,576,300	17,210,739
Interests in joint ventures	2,400,437	–	–	2,400,437
Share of profit of associates	184,608	(6,722)	761,513	939,399
Share of profit of joint ventures	130,742	–	–	130,742
Net gains arising from financial assets at FVTPL	–	1,493,929	–	1,493,929
Loss on changes in fair value in respect of the derivative component of convertible bond	(2,676)	–	–	(2,676)
Additions to non-current assets (Note)	2,498,934	5,496,595	55,404	8,050,933
Depreciation and amortisation	3,394,018	394,119	24,289	3,812,426

Note: Additions to non-current assets consist of additions to property, plant and equipment, expressway operating rights, other intangible assets right-of-use assets, interests in associates and interests in joint ventures (including assets from the acquisition of a subsidiary).

# Notes to the Consolidated Financial Statements

December 31, 2025

## 7. OPERATING SEGMENTS (CONTINUED)

### Revenue from major services

An analysis of the Group's revenue, net of discounts and taxes, for the year is as follows:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Toll operation revenue	10,387,655	10,662,346
Commission and fee income from securities operation	4,642,996	3,692,147
Interest income from securities operation	2,907,617	2,490,359
Hotel and catering revenue	101,628	108,251
Construction service revenue	1,690,252	1,070,362
Revenue from PPP project	25,342	41,359
	<b>19,755,490</b>	<b>18,064,824</b>

### Geographical information

The Group's operations are located in the PRC. The Group's non-current assets are located in the PRC (country of domicile).

All of the Group's revenue from external customers is attributed to the group entities' country of domicile (i.e., the PRC).

### Information about major customers

During the years ended December 31, 2025 and 2024, there was no individual customer with sales over 10% of the total revenue of the Group.

## 8. SECURITIES INVESTMENT GAINS

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Net gains arising from financial assets at FVTPL	2,418,958	1,494,335
Net gains arising from debt instruments at FVTOCI	188,754	75,304
Net (losses)/gains arising from derivative financial instruments	(49,353)	98,513
Net losses arising from financial liabilities at FVTPL	(12,928)	(11,309)
Dividend income from equity investments designated at FVTOCI	273,735	78,277
	<b>2,819,166</b>	<b>1,735,120</b>

## 9. OTHER INCOME AND GAINS AND LOSSES

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Interest income from financial institutions	480,118	474,167
Rental income	74,542	73,727
Losses on changes in fair value in respect of the derivative component of convertible bond	(10,022)	(2,676)
Exchange gains/(losses), net	3,185	(780)
(Loss)/gain on commodity trading, net	(20,220)	64,009
Management fee income	27,641	27,135
Government subsidy	66,895	69,485
Gain on disposal of assets	6,022	26,736
Others	174,172	157,342
	<b>802,333</b>	889,145

## 10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Impairment losses recognised/(reversed) on:		
Trade receivables – goods and services	17,123	14,000
Other receivables	8,858	9,676
Loans to customers arising from margin financing business	10,397	7,613
Financial assets held under resale agreements	3,972	(14,689)
Debt instruments at FVTOCI	4,727	2,854
	<b>45,077</b>	19,454

## Notes to the Consolidated Financial Statements

December 31, 2025

## 11. FINANCE COSTS

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Bank and other borrowings	481,681	608,826
Short-term financing notes payable	207,550	41,328
Bonds payable	829,571	866,490
Convertible Bonds	5,862	203,349
Lease liabilities	22,242	21,658
	<b>1,546,906</b>	1,741,651

## 12. PROFIT BEFORE TAX

The Group's profit before tax has been arrived at after charging:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Depreciation of property, plant and equipment (included in operating costs and administrative expenses)	929,462	868,385
Depreciation of right-of-use assets	211,452	160,055
Amortisation of expressway operating rights (included in operating costs)	2,668,056	2,668,841
Amortisation of other intangible assets (included in operating costs and administrative expenses)	157,423	115,145
Total depreciation and amortisation	<b>3,966,393</b>	3,812,426
Staff costs (including directors and supervisors):		
– Wages, salaries and bonuses	4,034,202	3,157,006
– Pension scheme contributions	433,560	354,752
	<b>4,467,762</b>	3,511,758
Auditors' remuneration	8,083	9,660
Loss on disposal of property, plant and equipment	16,751	10,149
(Reversal of write-down)/allowance for write-down of inventories	<b>(35,019)</b>	44,980

### 13. INCOME TAX EXPENSE

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Current tax:		
PRC Enterprise Income Tax ("EIT")	2,096,445	1,508,683
Deferred tax (Note 47)	(170,395)	192,421
	<b>1,926,050</b>	1,701,104

Under the Law of the PRC on EIT and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant tax ordinance of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Profit before tax	9,789,587	8,857,582
Tax at the PRC EIT rate of 25% (2024: 25%)	2,447,397	2,214,396
Effect of different tax rates	(1,513)	–
Tax effect of share of profit of associates	(293,928)	(234,850)
Tax effect of share of profit of joint ventures	(37,075)	(32,686)
Tax effect of tax losses and temporary difference not recognised	56,568	28,922
Utilisation of unused tax losses previously not recognised	(7,064)	(40,015)
Tax effect of expenses not deductible for tax purposes	45,701	47,983
Tax effect of income not subject to tax	(284,036)	(282,646)
Income tax expense for the year	<b>1,926,050</b>	1,701,104

# Notes to the Consolidated Financial Statements

December 31, 2025

## 14. DIRECTORS', SUPERVISORS' AND SENIOR MANagements' EMOLUMENTS

The emoluments paid or payable to each of the 10 (2024: 10) directors and 5 (2024: 6) supervisors are as follows:

	Yuan Yingjie <sup>@</sup>	Wu Wei <sup>^</sup>	Li Wei <sup>^</sup>	Yang Xudong <sup>*</sup>	Fan Ye <sup>#</sup>	Huang Jianzhang <sup>*</sup>	Pei Ker-wei <sup>*</sup>	Lee Wai Tsang <sup>*</sup>	Chen Bin <sup>*</sup>	Yu Mingyuan <sup>*</sup>	He Meiyun <sup>*</sup>	Lu Xinghai <sup>*</sup>	Wu Qingwang <sup>*</sup>	Wang Yubing <sup>*</sup>	Lu Wenwei <sup>*</sup>	Fang Yong <sup>*</sup>	Zhao Xilong <sup>*</sup>	Total
	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	Rmb 000	
		(Note i)	(Note ii)	(Note iii)				(Note iv)	(Note v)	(Note x)	(Note vi)	(Note vii)	(Note x)	(Note x)	(Note viii)	(Note ix)		
<b>2025</b>																		
Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries, allowances and benefits in kind	-	412	350	-	-	-	-	-	-	-	10	-	4	-	-	-	-	776
Bonuses paid and payable	17	891	889	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,797
Pension scheme contributions	-	49	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98
Directors' fee	-	-	-	-	-	-	228	228	-	102	-	-	-	-	-	-	-	558
<b>Total emoluments</b>	<b>17</b>	<b>1,352</b>	<b>1,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>228</b>	<b>-</b>	<b>102</b>	<b>10</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,229</b>
<b>2024</b>																		
Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries, allowances and benefits in kind	-	377	320	-	-	-	-	-	-	-	12	-	4	-	-	-	-	713
Bonuses paid and payable	26	468	1,002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,496
Pension scheme contributions	-	44	44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88
Directors' fee	-	-	-	-	-	-	235	235	41	53	-	-	-	-	-	-	-	564
<b>Total emoluments</b>	<b>26</b>	<b>889</b>	<b>1,366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235</b>	<b>235</b>	<b>41</b>	<b>53</b>	<b>12</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,861</b>

@ Executive directors. The emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

^ Non-executive directors. The emoluments shown above were for their services as directors of the Company or its subsidiaries.

\* Independent non-executive directors. The emoluments shown above were for their services as directors of the Company.

# Supervisors. The emoluments shown above were for their services as supervisors of the Company.



## 14. DIRECTORS', SUPERVISORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (CONTINUED)

Notes:

- (i) Resigned on Feb 6, 2026.
- (ii) Appointed as an Executive Director on October 13, 2023, and appointed as Acting General Manager on Feb 10, 2026 and ceased to assume responsibilities of the General Manager of the Company on an acting basis from March 18, 2026.
- (iii) Resigned on Dec 19, 2025.
- (iv) Resigned on June 30, 2024.
- (v) Appointed on July 1, 2024.
- (vi) Resigned on June 30, 2024.
- (vii) Resigned on Dec 17, 2025.
- (viii) Appointed on July 1, 2024, and resigned on Nov 7, 2025.
- (ix) Appointed on Dec 19, 2025.
- (x) Resigned on March 20, 2026.

Bonuses paid to directors and supervisors are performance-related and are determined by the Remuneration Committee of the Company, which comprises three independent non-executive directors. No directors or supervisors waived any emoluments and no incentive was paid to any director or supervisor as an inducement to join the Company and no compensation for loss of office was paid to any directors, supervisors, past directors or past supervisors during the year (2024: Nil).

## Notes to the Consolidated Financial Statements

December 31, 2025

### 14. DIRECTORS', SUPERVISORS' AND SENIOR MANagements' EMOLUMENTS (CONTINUED)

The emoluments paid or payable to each of the other 7 (2024: 10) senior management personnel are as follows:

	Zheng Hui <i>Rmb'000</i>	Zhang Xiuhua <i>Rmb'000</i> <i>(Note i)</i>	Wang Bingjiong <i>Rmb'000</i> <i>(Note i)</i>	Wu Xiangyang <i>Rmb'000</i>	Ruan Liya <i>Rmb'000</i>	Zhao Dongquan <i>Rmb'000</i>	Han Jinghua <i>Rmb'000</i> <i>(Note ii)</i>	Jiang Libiao <i>Rmb'000</i> <i>(Note iii)</i>	Wang Lijian <i>Rmb'000</i> <i>(Note iii)</i>	Total <i>Rmb'000</i>
<b>Year ended December 31, 2025</b>										
Salaries, allowances and benefits in kind	280	-	-	350	350	350	29	350	350	2,059
Bonuses paid and payable	708	-	-	884	838	755	657	434	434	4,710
Pension scheme contributions	49	-	-	49	49	49	4	49	49	298
<b>Total emoluments</b>	<b>1,037</b>	<b>-</b>	<b>-</b>	<b>1,283</b>	<b>1,237</b>	<b>1,154</b>	<b>690</b>	<b>833</b>	<b>833</b>	<b>7,067</b>
<b>Year ended December 31, 2024</b>										
Salaries, allowances and benefits in kind	320	160	160	320	320	320	320	160	160	2,240
Bonuses paid and payable	766	864	847	928	972	880	399	79	76	5,811
Pension scheme contributions	44	17	21	44	44	44	44	22	22	302
<b>Total emoluments</b>	<b>1,130</b>	<b>1,041</b>	<b>1,028</b>	<b>1,292</b>	<b>1,336</b>	<b>1,244</b>	<b>763</b>	<b>261</b>	<b>258</b>	<b>8,353</b>

Notes:

- (i) Resignation on June 28, 2024
- (ii) Resignation on Jan 15, 2025
- (iii) Appointed on June 28, 2024

Bonuses paid to senior management are performance-related and are determined by the board of directors.

No senior management waived any emoluments and no incentive was paid to any senior management as an inducement to join the Company and no compensation for loss of office was paid to any senior management or past senior management during the year (2024: Nil). Bonuses are determined by reference to the individual performance of the senior management.

## 15. EMPLOYEES' EMOLUMENTS

The emoluments of the five highest paid individuals in the Group are as follows:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Salaries, allowances and benefits in kind	12,085	12,104
Bonuses paid and payable (Note)	18,458	49,341
Pension scheme contributions	436	592
	<b>30,979</b>	62,037

Note: The bonuses paid and payable are determined by reference to the performance of the relevant business of the Group for the years ended December 31, 2025 and 2024.

No emoluments nor incentive was waived as an inducement to join the Company and no compensation for loss of office was paid to any of the five highest paid individuals in the Group during both years. Bonuses are determined by reference to the individual performance of the five highest paid individuals in the Group.

The five individuals with the highest emoluments in the Group during the year included 5 non-director employees.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 15. EMPLOYEES' EMOLUMENTS (CONTINUED)

Their emoluments are within the following bands:

	No. of individuals	
	Year ended 12/31/2025	Year ended 12/31/2024
HKD5,500,001 to HKD6,000,000 (equivalent to Rmb4,967,601 (2024: Rmb5,093,221) to Rmb5,419,200 (2024: Rmb5,556,240))	2	–
HKD7,000,001 to HKD7,500,000 (equivalent to Rmb6,322,401 (2024: Rmb6,482,281) to Rmb6,774,000 (2024: Rmb6,945,300))	1	–
HKD7,500,001 to HKD8,000,000 (equivalent to Rmb6,774,001 (2024: Rmb6,945,301) to Rmb7,225,600 (2024: Rmb7,408,320))	2	–
HKD11,000,001 to HKD11,500,000 (equivalent to Rmb9,935,201 (2024: Rmb10,186,441) to Rmb10,386,800 (2024: Rmb10,649,460))	–	1
HKD11,500,001 to HKD12,000,000 (equivalent to Rmb10,386,801 (2024: Rmb10,649,461) to Rmb10,838,400 (2024: Rmb11,112,480))	–	1
HKD13,500,001 to HKD14,000,000 (equivalent to Rmb12,193,201 (2024: Rmb12,501,541) to Rmb12,644,800 (2024: Rmb12,964,560))	–	1
HKD14,000,001 to HKD14,500,000 (equivalent to Rmb12,644,801 (2024: Rmb12,964,561) to Rmb13,096,400 (2024: Rmb13,427,580))	–	1
HKD15,500,001 to HKD16,000,000 (equivalent to Rmb13,999,600 (2024: Rmb14,353,621) to Rmb14,451,200 (2024: Rmb14,816,640))	–	1
	5	5

### 16. DIVIDENDS

	Year ended 12/31/2025 Rmb'000	Year ended 12/31/2024 Rmb'000
Dividends recognised as distribution during the year:		
2024 – Rmb38.5 cents (2024: 2023 – Rmb32 cents)	2,307,613	1,917,919

Dividend of Rmb39.5 cents per share in respect of the year ended December 31, 2025 (2024: dividend of Rmb38.5 cents per share in respect of the year ended December 31, 2024) in the total amount of Rmb2,385,055,000 (2024: Rmb2,307,613,000) has been proposed by the Directors and is subject to approval by the shareholders in the annual shareholders' meeting.

## 17. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Profit for the year attributable to owners of the Company	5,324,958	5,501,588
Earnings for the purpose of basic earnings per share	5,324,958	5,501,588
Effect of dilutive potential ordinary shares arising from convertible bond:		
Interest expense	–	8,879
Exchange gains (net of income tax)	–	(6,182)
Losses on changes in fair value on derivative component	–	2,512
Adjustment to the share of profit of subsidiaries based on dilution of their earnings per share	–	(46,932)
Earnings for the purpose of diluted earnings per share	5,324,958	5,459,865

	Year ended 12/31/2025 <i>'000</i>	Year ended 12/31/2024 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	6,008,748	5,993,568
Effect of dilutive potential ordinary shares arising from convertible bond	–	39,271
Weighted average number of ordinary shares for the purpose of diluted earnings per share	6,008,748	6,032,839

Note: During the year ended December 31, 2025, the remaining convertible bonds were fully converted as disclosed in note 43, therefore there is no further diluted effect in the calculation of diluted earnings per share.

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## 18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings <i>Rmb '000</i>	Hotel <i>Rmb '000</i>	Ancillary facilities <i>Rmb '000</i>	Communication and signalling equipment <i>Rmb '000</i>	Motor vehicles <i>Rmb '000</i>	Machinery and equipment <i>Rmb '000</i>	Construction in progress <i>Rmb '000</i>	Total <i>Rmb '000</i>
COST								
At January 1, 2024	2,355,834	851,936	3,430,349	3,547,006	212,243	959,927	677,647	12,034,942
Additions	32,141	2,218	129,210	48,705	11,385	159,466	29,403	412,528
Transfer	102,116	-	248,743	22,587	5,674	21,992	(401,112)	-
Disposals	-	-	(13,602)	(243,369)	(14,098)	(71,158)	-	(342,227)
At December 31, 2024	2,490,091	854,154	3,794,700	3,374,929	215,204	1,070,227	305,938	12,105,243
Additions	39,387	788	181,994	2,469	11,119	223,722	584,110	1,043,589
Acquisition of a subsidiary	-	-	-	-	2,269	43,980	-	46,249
Transfer	(16,036)	-	149,941	166,755	2,290	12,057	(315,007)	-
Disposals	(2,436)	(3,179)	(7,089)	(180,147)	(3,431)	(57,519)	-	(253,801)
At December 31, 2025	2,511,006	851,763	4,119,546	3,364,006	227,451	1,292,467	575,041	12,941,280
DEPRECIATION AND IMPAIRMENT								
At January 1, 2024	998,721	282,778	1,246,794	2,547,889	129,564	627,175	-	5,832,921
Provided for the year	127,714	30,625	288,107	273,995	19,002	128,942	-	868,385
Disposals	-	-	(7,657)	(225,214)	(13,497)	(67,598)	-	(313,966)
At December 31, 2024	1,126,435	313,403	1,527,244	2,596,670	135,069	688,519	-	6,387,340
Provided for the year	132,994	30,359	356,024	216,063	19,556	174,466	-	929,462
Disposals	(2,314)	(1,012)	(6,742)	(169,069)	(3,283)	(48,533)	-	(230,953)
At December 31, 2025	1,257,115	342,750	1,876,526	2,643,664	151,342	814,452	-	7,085,849
CARRYING VALUES								
At December 31, 2025	1,253,891	509,013	2,243,020	720,342	76,109	478,015	575,041	5,855,431
At December 31, 2024	1,363,656	540,751	2,267,456	778,259	80,135	381,708	305,938	5,717,903
At January 1, 2024	1,357,113	569,158	2,183,555	999,117	82,679	332,752	677,647	6,202,021

The property, plant and equipment are mainly located in the PRC.

The Group's investment properties are buildings with a net carrying amount of approximately Rmb83,886,453 (2024: Rmb91,182,970) leased to other parties under operating leases to earn rental income, which are measured using the cost model and are classified as property, plant and equipment.

## 19. RIGHT-OF-USE ASSETS

	Leasehold lands <i>Rmb'000</i>	Leased properties <i>Rmb'000</i>	Total <i>Rmb'000</i>
<b>COST</b>			
At January 1, 2025	535,740	837,567	1,373,307
Addition	8,796	406,139	414,935
Acquisition of a subsidiary	–	63,011	63,011
Decrease	(2,218)	(109,680)	(111,898)
At December 31, 2025	542,318	1,197,037	1,739,355
<b>DEPRECIATION</b>			
At January 1, 2025	77,757	463,367	541,124
Addition	14,765	196,687	211,452
Decrease	–	(91,683)	(91,683)
At December 31, 2025	92,522	568,371	660,893
<b>CARRYING VALUES</b>			
At December 31, 2025	449,796	628,666	1,078,462
At January 1, 2025	457,983	374,200	832,183

	Leasehold lands <i>Rmb'000</i>	Leased properties <i>Rmb'000</i>	Total <i>Rmb'000</i>
<b>COST</b>			
At January 1, 2024	533,522	827,409	1,360,931
Addition	2,218	74,186	76,404
Decrease	–	(64,028)	(64,028)
At December 31, 2024	535,740	837,567	1,373,307
<b>DEPRECIATION</b>			
At January 1, 2024	56,616	369,478	426,094
Addition	21,141	138,914	160,055
Decrease	–	(45,025)	(45,025)
At December 31, 2024	77,757	463,367	541,124
<b>CARRYING VALUES</b>			
At December 31, 2024	457,983	374,200	832,183
At January 1, 2024	476,906	457,931	934,837

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### 19. RIGHT-OF-USE ASSETS (CONTINUED)

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Expense relating to short-term leases	23,421	7,871
Total cash outflow for leases	228,696	174,269

Total cash outflow for leases includes payments of principal and interest portions of lease liabilities, short-term leases and payments of lease payments on or before lease the commencement date (including leasehold lands).

The Group leases various offices for its operations. Lease contracts are entered into for terms of 12 months to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The amounts of the Group's lease liabilities and interest expense on lease liabilities are disclosed in Note 46 and Note 11, respectively. For the year ended December 31, 2025, the lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

As at December 31, 2025, the Group did not enter into any lease that has not yet commenced.

## 20. EXPRESSWAY OPERATING RIGHTS

	<i>Rmb'000</i>
<b>COST</b>	
At January 1, 2024	59,697,313
Additions	1,406,806
Disposals	(19,283)
At December 31, 2024	61,084,836
Additions	1,689,236
Disposals	(3,439)
At December 31, 2025	62,770,633
<b>AMORTISATION</b>	
At January 1, 2024	38,684,403
Charge for the year	2,668,841
Disposals	(12,245)
At December 31, 2024	41,340,999
Charge for the year	2,668,056
Disposals	(3,185)
At December 31, 2025	44,005,870
<b>CARRYING VALUES</b>	
At December 31, 2025	18,764,763
At December 31, 2024	19,743,837
At January 1, 2024	21,012,910

The above expressway operating rights were granted by the Zhejiang Provincial Government and Anhui Provincial Government for a period ranging from 25 to 30 years. During the expressway concessionary period, the Group has the rights of operations and management of Shanghai-Hangzhou-Ningbo Expressway, Shangsang Expressway, Jinhua Section of the Ningbo-Jinhua Expressway, Hanghui Expressway, Huihang Expressway, Huangqunan Expressway and Zhoushan Bay Bridge, LongLi Expressway and LiLong Expressway, Zhajiasu Expressway and the toll-collection rights thereof.

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### 20. EXPRESSWAY OPERATING RIGHTS (CONTINUED)

The Group is required to manage and operate the expressways in accordance with the regulations promulgated by the Ministry of Communication and relevant government authorities. Upon the end of the respective concession service periods, the toll expressways and their toll station facilities without residual value, will be returned to the grantors at nil consideration. The expressway operating rights are amortised using the straight-line basis over the useful life attributable to the Group.

During the year ended December 31, 2025, the Group has implemented expressway construction projects which included the Ningbo-Jinhua Expressway (Jinhua Section), the Zhajiasu Expressway (from Nanhu Interchange to the Zhejiang-Jiangsu Border Section), and the Ningbo-Zhoushan Expressway Parallel Line (from Haosifang Interchange in Beilun District, Ningbo, to Dasha in Dinghai District, Zhoushan). The Group recognised the contract asset and presented as an intangible asset named “Expressway operating rights”.

### 21. GOODWILL

	<i>Rmb'000</i>
COST AND CARRYING VALUES	
At January 1, 2024 and December 31, 2024	<b>86,867</b>
Acquisition of a subsidiary	<b>662,164</b>
At December 31, 2025	<b>749,031</b>

Particulars regarding impairment testing on goodwill are disclosed in Note 23.

## 22. OTHER INTANGIBLE ASSETS

	Customer bases <i>Rmb'000</i>	Securities/ futures firm licences <i>Rmb'000</i>	Trading seats <i>Rmb'000</i>	Software <i>Rmb'000</i>	Data assets <i>Rmb'000</i>	Total <i>Rmb'000</i>
<b>COST</b>						
At January 1, 2024	163,057	63,083	3,480	678,371	–	907,991
Additions	–	–	–	145,534	9,283	154,817
Disposals	–	–	–	(4,535)	–	(4,535)
At December 31, 2024	163,057	63,083	3,480	819,370	9,283	1,058,273
Additions	–	–	–	183,462	5,613	189,075
Acquisition of a subsidiary	220,000	–	1,864	59,873	–	281,737
Disposals	–	–	–	(20,899)	–	(20,899)
At December 31, 2025	383,057	63,083	5,344	1,041,806	14,896	1,508,186
<b>AMORTISATION</b>						
At January 1, 2024	138,293	–	–	381,314	–	519,607
Charge for the year	12,382	–	–	101,341	1,422	115,145
Disposals	–	–	–	(4,535)	–	(4,535)
At December 31, 2024	150,675	–	–	478,120	1,422	630,217
Charge for the year	27,048	–	–	127,471	2,904	157,423
Disposals	–	–	–	(20,811)	–	(20,811)
At December 31, 2025	177,723	–	–	584,780	4,326	766,829
<b>CARRYING VALUES</b>						
At December 31, 2025	205,334	63,083	5,344	457,026	10,570	741,357
At December 31, 2024	12,382	63,083	3,480	341,250	7,861	428,056
At January 1, 2024	24,764	63,083	3,480	297,057	–	388,384

The securities/futures firm licenses of the securities operation are considered by the management of the Group to have indefinite useful lives because they can be renewed at minimal cost.

## Notes to the Consolidated Financial Statements

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### 22. OTHER INTANGIBLE ASSETS (CONTINUED)

The trading seats of the securities operation are considered by the management of the Group to have an indefinite useful life because there is no economic or regulatory limit to their useful life.

Customer bases are amortised on a straight-line basis of five years or ten years. Software is amortised on a straight-line basis over two to eight years.

Particulars of the impairment testing on intangible assets with indefinite useful lives are disclosed in Note 23.

### 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purposes of impairment testing, goodwill and other intangible assets with indefinite useful lives set out in Notes 21 and 22 have been allocated to four individual cash-generating units ("CGUs"), comprising two subsidiaries in toll operation segment and two subsidiaries in securities operation segment. The carrying amounts of goodwill and other intangible assets as at December 31, 2025 and 2024 allocated to these units are as follows:

	Goodwill		Securities/futures firm licences		Trading seats	
	12/31/2025 Rmb'000	12/31/2024 Rmb'000	12/31/2025 Rmb'000	12/31/2024 Rmb'000	12/31/2025 Rmb'000	12/31/2024 Rmb'000
Toll operation						
– Jiaxing Branch of Zhejiang LongLiLiLong Expressway Co., Ltd. ("Jiaxing Branch")	75,137	75,137	–	–	–	–
– Zhejiang Shangsang Expressway Co., Ltd. ("Shangsang Co")	10,335	10,335	–	–	–	–
Securities operation						
– Zheshang Securities	–	–	51,783	51,783	2,080	2,080
– Zheshang Futures	1,395	1,395	11,300	11,300	1,400	1,400
– Guodu Securities Co., Ltd. ("Guodu Securities")	662,164	–	–	–	464	–
– Guodu Futures	–	–	–	–	1,400	–
	<b>749,031</b>	86,867	<b>63,083</b>	63,083	<b>5,344</b>	3,480



## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (CONTINUED)

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

### **Jiaxing Branch and Shangsang Co**

The recoverable amounts of CGUs of Jiaxing Branch and Shangsang Co are determined based on value in use calculations. The key assumptions for the value in use calculations relate to discount rates, growth rates, and expected changes in toll revenue and direct costs during the forecast period. Those calculations use cash flow projections based on financial budgets approved by the management covering a five-year period and the discount rates the management considered appropriate. No growth rate has been assumed beyond the five-year period up to the remaining toll road operating rights which are 3 years (2024: 4 years) and 5 years (2024: 6 years) for Jiaxing Branch and Shangsang Co, respectively. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Jiaxing Branch's and Shangsang Co's goodwill to exceed their aggregate recoverable amounts.

### **Zheshang Securities and Zheshang Futures**

The recoverable amounts of CGUs of Zheshang Securities and Zheshang Futures are determined based on value in use calculations. The key assumptions for the value in use calculations relate to the discount rates, growth rates and profit margin during the forecast period. Those calculations use cash flow projections based on financial budgets approved by the management covering a five-year period with discount rates management believes appropriate. The growth rate beyond the five-year period is assumed to be 1% (2024: 1%). Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of Zheshang Securities and Zheshang Futures' goodwill and other intangible assets to exceed their aggregate recoverable amounts.

During the years ended December 31, 2025 and 2024, the management of the Group determines that there is no impairment of any of its CGUs containing goodwill and other intangible assets with indefinite useful lives.

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### 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (CONTINUED)

#### Guodu Securities

The recoverable amount of CGU of Guodu Securities' is determined based on value in use calculations. The key assumptions for the value in use calculations relate to the discount rates, growth rates and profit margin during the forecast period. Those calculations use cash flow projections based on financial budgets approved by the management covering a fifteen-year period with discount rates management believes appropriate. The growth rate beyond the fifteen-year period is assumed to be 3%. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of Guodu Securities' goodwill and other intangible assets to exceed their aggregate recoverable amounts.

During the year ended December 31, 2025, the management of the Group determines that there is no impairment of any of its CGU containing goodwill and other intangible assets with indefinite useful lives.

### 24. INTERESTS IN ASSOCIATES

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Cost of investments in associates	11,363,796	13,746,615
Share of post-acquisition profit and other comprehensive income, net of dividends received	3,506,432	3,464,124
	<b>14,870,228</b>	17,210,739

## 24. INTERESTS IN ASSOCIATES (CONTINUED)

At December 31, 2025 and 2024, the Group had interests in the following associates:

Name of entities	Form of business structure	Place of registration and operation	Percentage of equity interest and voting right attributable to the Group		Principal activities
			12/31/2025 %	12/31/2024 %	
Zheshang Fund Management Co., Ltd. ("Zheshang Fund") (Note i)	Corporate	The PRC	25	25	Asset fund management
Zhejiang Communications Investment Group Finance Co., Ltd. ("Zhejiang Communications Finance") (Note ii)	Corporate	The PRC	20.08	20.08	Finance and investment
Yangtze United Financial Leasing Co., Ltd. ("Yangtze United Financial Leasing") (Note iii)	Corporate	The PRC	10.61	10.61	Provision of financial leasing services
Zhejiang Zheshang Innovation Capital Management Co., Ltd. ("Zheshang Innovation Capital Management")	Corporate	The PRC	40	40	Investment management and consulting
Taiping Science and Technology Insurance Co., Ltd. ("Taiping Insurance") (Note iv)	Corporate	The PRC	8.77	8.77	Science and technology related insurance
Zheshang FoF for Industry Transformation and Upgrading LP ("Zheshang FoF") (Note v)	Partnership	The PRC	24.99	24.99	Investment management and consulting
Zhejiang Concord Property Investment Co., Ltd. ("Zhejiang Concord Property") (Note vi)	Corporate	The PRC	45	45	Investment and real estate development
Shanghai Rural Commercial Bank Co., Ltd. ("SRCB") (Note vii)	Corporate	The PRC	4.96	4.96	Commercial banking

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## 24. INTERESTS IN ASSOCIATES (CONTINUED)

Name of entities	Form of business structure	Place of registration and operation	Percentage of equity interest and voting right attributable to the Group		Principal activities
			12/31/2025	12/31/2024	
			%	%	
Zhejiang Hangning Expressway Co., Ltd. ("Zhejiang Hangning") (Note viii)	<b>Corporate</b>	The PRC	<b>30</b>	30	Expressway
Zheshang Zhongtuo Zheqi Supply Chain Management (Zhejiang) Co., Ltd. ("Zhongtuo Zheqi")	<b>Corporate</b>	The PRC	<b>20</b>	20	Supply Chain Management
CICC-Shenjiahuhang sasset-backed special program ("ABS Program") Phase I (Note ix)	<b>Structured product</b>	The PRC	–	30	Expressway
CICC-Shenjiahuhang Expressway ABS Program Phase II (Note ix)	<b>Structured product</b>	The PRC	<b>20</b>	–	Expressway
Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd. ("YongTaiWen Co") (Note x)	<b>Corporate</b>	The PRC	<b>15</b>	15	Expressway
Guodu Securities (Note xi)	<b>Corporate</b>	The PRC	–	34.25	Operation of securities business
Zhong Ou Asset Management Co., Ltd. ("Zhong Ou") (Note xii)	<b>Corporate</b>	The PRC	<b>20</b>	–	Investment management and consulting

All of the above associates are accounted for using the equity method in these consolidated financial statements.

## 24. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- (i) The Group is able to exercise significant influence over Zheshang Fund because it has the power to appoint one out of four directors of that company under the provisions stated in the Articles of Association of that company.

On August 14, 2014, Zheshang Securities, together with one of the shareholders of Zheshang Fund, Yangshengtang Co., Ltd., auctioned off their respective 25% equity interests (totalling 50%) in Zheshang Fund. The hammer price reached Rmb414,000,000 offered by Zheling Technology Co., Ltd, another shareholder of Zheshang Fund which is independent to the Group, and Zheshang Securities has received a consideration of Rmb207,000,000 accordingly.

As at December 31, 2025, the disposal transaction has not been completed and the refundable consideration of Rmb207,000,000 (2024: Rmb207,000,000) in respect of such transfer reversed by Zheshang Securities was included in other payables in Note 38.

The Directors consider the disposal required approval by the China Securities Regulatory Commission and equity transfer registration, which was a lengthy process and they are not able to estimate the timing when and whether such approval would be granted. The amount of deposit received would be refundable to Zheling Technology Co., Ltd if the transfer eventually cannot be completed.

- (ii) The Group is able to exercise significant influence over Zhejiang Communications Finance because it has the power to appoint one out of six directors of that company under the provisions stated in the articles of association of that company.
- (iii) The Group is able to exercise significant influence over Yangtze United Financial Leasing because it has the power to appoint one out of nine directors of that company under the provisions stated in the Articles of Association of that company.
- (iv) The Group is able to exercise significant influence over Taiping Insurance because it has the power to appoint one out of nine directors of that company after the capital injection.
- (v) As a limited partner of Zheshang FoF, the management considers the Group has significant influence over the investees. 24.99% is the percentage of capital commitment subscribed by the Group, the Group recognises share of profit based on the capital account allocation provided by Zheshang FoF.

# Notes to the Consolidated Financial Statements

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## 24. INTERESTS IN ASSOCIATES (CONTINUED)

Notes: (continued)

- (vi) The Group is able to exercise significant influence over Zhejiang Concord Property because it has the power to appoint the one out of three directors of that company of Zhejiang Concord Property under the provisions stated in the articles of association of that company.
- (vii) The Group is able to exercise significant influence over SRCB because it has the power to appoint one out of fourteen directors of SRCB.
- (viii) The Group is able to exercise significant influence over Zhejiang Hangning because it has the power to appoint two out of nine directors of that company under the provisions stated in the articles of association of that company.
- (ix) In November 2025, the Group together with other professional institutional investors entered into the asset management agreement with China International Capital Corporation Limited ("CICC") as the fund manager of the ABS Program. The Group redeemed Rmb75,000,000 of the ABS Program Phase I, subscribed Rmb50,000,000 of the subordinated class of the ABS Program Phase II and continued to provide operational service in relation to the underlying assets, upon which the Group can exercise significant influence over the ABS Program.
- (x) On September 28, 2023, the Company and Communications Group entered into the YongTaiWen Equity Purchase Agreement, pursuant to which the Company agreed to acquire a 15% equity interest in Zhejiang Wenzhou YongTaiWen Expressway Co., Ltd. ("YongTaiWen Co") at a consideration of RMB733,096,810. The transaction was completed on October 26, 2023 upon the revision of the articles of association and modification of business registration. The Group can exercise significant influence over YongTaiWen Co because it has the power to appoint one out of ten directors of that company under the provisions stated in the articles of association of that company.
- (xi) On December 26, 2024, Zheshang Securities acquired a 34.2546% equity interest in Guodu Securities with 1,997,043,125 shares and completed the equity transfer registration, pursuant to the approval granted by the China Securities Regulatory Commission on November 30, 2024. And in March 2025, Zheshang Securities acquired additional 30,000,000 shares and the percentage of equity interest in Guodu Securities increased to 34.7692%. During the year ended December 31, 2025, Zheshang securities nominated and appointed more than half of the directors on the board of directors and became the controlling shareholder of Guodu securities. The business combination of Guodu Securities is disclosed in note 50.
- (xii) Guodu Securities held 20% equity interest of Zhong Ou and can exercise significant influence over Zhong Ou. Since Zheshang Securities obtained control of Guodu Securities, Zhong Ou then became an associate of the Group.

## 24. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

All of these associates are accounted for using the equity method in these consolidated financial statements.

### Zhejiang Hangning

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	985,618	1,001,393
Non-current assets	5,433,050	6,073,724
Current liabilities	(345,199)	(372,887)
Non-current liabilities	(61,012)	(38,440)

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Revenue	1,598,641	1,787,183
Profit from continuing operations	375,837	523,859
Profit for the year	375,837	523,859
Total comprehensive income for the year	375,837	523,859
Dividends received from the associate during the year	308,151	297,964

Reconciliation of the above summarised financial information to the carrying amount of the interest in Zhejiang Hangning recognised in the consolidated financial statements:

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Net assets of the associate	6,012,457	6,663,790
Proportion of the Group's ownership interest in Zhejiang Hangning	30.00%	30.00%
Carrying amount of the Group's interest in Zhejiang Hangning	1,803,737	1,999,137

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## 24. INTERESTS IN ASSOCIATES (CONTINUED)

## Zhejiang Communications Finance

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	13,495,544	15,607,389
Non-current assets	41,271,634	34,463,627
Current liabilities	(45,853,528)	(41,204,155)
Non-current liabilities	(31,130)	(27,543)

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Revenue	1,324,442	1,475,983
Profit from continuing operations	440,899	395,235
Profit for the year	440,899	395,235
Total comprehensive income for the year	440,899	395,235
Dividends received from the associate during the year	78,325	23,711

Reconciliation of the above summarised financial information to the carrying amount of the interest in Zhejiang Communications Finance recognised in the consolidated financial statements:

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Net assets of the associate	8,882,520	8,839,318
Proportion of the Group's ownership interest in Zhejiang Communications Finance	20.08%	20.08%
Carrying amount of the Group's interest in Zhejiang Communications Finance	1,783,610	1,774,935

## 24. INTERESTS IN ASSOCIATES (CONTINUED)

### Aggregate information of associates that are not individually material

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
The Group's share of profit from continuing operations	974,429	702,878
The Group's share of other comprehensive (loss)/income	(244,599)	251,095
The Group's share of total comprehensive income	729,830	953,973
Aggregate carrying amount of the Group's interests in these associates	11,282,881	13,436,667

## 25. INTERESTS IN JOINT VENTURES

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Unlisted investments in joint ventures, at cost	2,813,271	2,081,671
Share of post-acquisition gain, net of dividends received	467,064	318,766
	3,280,335	2,400,437

At December 31, 2025 and 2024, the Group had interests in the following joint ventures:

Name of entity	Form of business structure	Place of registration and operation	Percentage of equity interest and voting right attributable to the Group		Principal activities
			12/31/2025 %	12/31/2024 %	
Zhejiang Shaoxing Shengxin Expressway Co., Ltd. ("Shengxin Co")	Corporate	The PRC	50	50	Management of the Shaoxing section of the Ningbo-Jinhua Expressway
Zhejiang Zhijiang Communications Holdings Co., Ltd. ("Zhijiang Communications Holdings")	Corporate	The PRC	50	50	Investment

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### 25. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

#### Shengxin Co

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	1,443,145	1,870,978
Non-current assets	3,936,249	1,713,862
Current liabilities	(183,307)	(942,119)
Non-current liabilities	(1,609,312)	(748,009)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,430,882	727,045
Current financial liabilities (excluding trade and other payables and provisions)	(35,668)	(748,320)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1,586,993)	(721,225)

## 25. INTERESTS IN JOINT VENTURES (CONTINUED)

### Shengxin Co (continued)

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Revenue	1,624,574	1,714,042
Profit for the year	228,861	216,547
Total comprehensive income for the year	228,861	216,547
The above profit for the year includes the following:		
Depreciation and amortisation	(192,752)	(192,175)
Interest income	927	1,088
Interest expense	(10,464)	(14,897)
Income tax expense	(76,612)	(69,879)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shengxin Co recognised in the consolidated financial statements:

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Net assets of Shengxin Co	3,586,775	1,894,713
Proportion of the Group's ownership interest in Shengxin Co	50.00%	50.00%
Carrying amount of the Group's interest in Shengxin Co	1,793,387	947,357

### Zhijiang Communications Holdings

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	341,462	225,210
Non-current assets	20,483,605	10,382,050
Current liabilities	(710,890)	(62,101)
Non-current liabilities	(16,845,092)	(7,639,000)

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### 25. INTERESTS IN JOINT VENTURES (CONTINUED)

#### Zhijiang Communications Holdings (continued)

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	305,043	202,996
Current financial liabilities (excluding trade and other payables and provisions)	(478,418)	(26,896)
Non-current financial liabilities (excluding trade and other payables and provisions)	(16,837,814)	(7,439,000)

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Profit for the year	67,735	44,937
Total comprehensive income for the year	67,735	44,937
The above profit for the year includes the following:		
Interest income	1,537	1,116

Reconciliation of the above summarised financial information to the carrying amount of the interest in Zhijiang Communications Holdings recognised in the consolidated financial statements:

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Net assets of Zhijiang Communications Holdings	3,269,085	2,906,159
Less: non-controlling interests of Zhijiang Communications Holdings' subsidiary	295,190	–
	2,973,895	2,906,159
Proportion of the Group's ownership interest in Zhijiang Communications Holdings	50.00%	50.00%
Carrying amount of the Group's interest in Zhijiang Communications Holdings	1,486,948	1,453,080

## 26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Financial assets mandatorily measured at FVTPL:		
– Debt securities	<b>24,548,196</b>	19,829,409
– Equity securities (Note i)	<b>2,146,726</b>	1,918,504
– Funds	<b>10,845,096</b>	8,637,292
– Other investments (Note ii)	<b>12,939,939</b>	5,637,360
	<b>50,479,957</b>	36,022,565
Analysed as:		
– Listed (Note iii)	<b>18,844,915</b>	11,945,840
– Unlisted	<b>31,635,042</b>	24,076,725
	<b>50,479,957</b>	36,022,565
Analysed for reporting purposes as:		
Current assets	<b>49,832,095</b>	35,536,634
Non-current assets	<b>647,862</b>	485,931
	<b>50,479,957</b>	36,022,565

### Notes:

- (i) As at December 31, 2025, the Group has entered into securities lending arrangements with clients that resulted in the transfer of financial assets at fair value through profit or loss with a total fair value of Rmb216,884,083 (2024: Rmb8,261,982) to external clients. Since the arrangements will be settled by the securities with the same quantity lent, the economic risks and benefits of those securities are not transferred and it does not result in the derecognition of the financial assets.
- (ii) Other investments mainly represent investments in collective asset management schemes issued and managed by the Group, wealth management products issued by banks and targeted asset management schemes (or trust investments) managed by non-bank financial institutions, which mainly invest in debt securities, publicly traded equity securities listed in the PRC.
- (iii) Securities and funds traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange are included in the “Listed” category.

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### 27. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Listed equity investments, at fair value		
– Infrastructure real estate investment trusts (the “REITs”)	1,004,684	374,636
– Equity securities	5,577,482	1,334,123
	<b>6,582,166</b>	1,708,759
Unlisted equity investments, at fair value		
– Equity securities	280	–
	<b>6,582,446</b>	1,708,759

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

### 28. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Analysed by type of issuers:		
– Corporate entities (Note i, ii)	4,007,915	3,229,914
– Government (Note ii)	13,742,502	9,205,113
	<b>17,750,417</b>	12,435,027
Analysed as:		
– Listed (Note iii)	683,571	10,011
– Unlisted	17,066,846	12,425,016
	<b>17,750,417</b>	12,435,027
Analysed for reporting purposes as:		
Current assets	1,736,635	1,022,862
Non-current assets	16,013,782	11,412,165
	<b>17,750,417</b>	12,435,027
Expected credit losses	5,943	4,829

Notes:

- (i) It mainly comprises bonds and notes issued by corporates.
- (ii) As at December 31, 2025, the fair value of securities of the Group which have been placed as collateral for financial assets sold under repurchase agreements was Rmb14,185,500,000 (December 31, 2024: Rmb8,579,310,000).
- (iii) Debt securities traded on stock exchanges are included in the “Listed” category.

## 28. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The following table shows the reconciliation of loss allowances that have been recognised for debt instruments at fair value through other comprehensive income.

	12m ECL <i>Rmb'000</i>	Lifetime ECL (not credit- impaired) <i>Rmb'000</i>	Lifetime ECL (credit- impaired) <i>Rmb'000</i>	Total <i>Rmb'000</i>
As at January 1, 2025	4,829	–	–	4,829
Changes in the loss allowance:				
– Charged to profit or loss	4,727	–	–	4,727
Maturities or transfer out	(4,347)	–	–	(4,347)
Acquisition of a subsidiary	734	–	–	734
As at December 31, 2025	5,943	–	–	5,943
As at January 1, 2024	1,975	–	–	1,975
Changes in the loss allowance:				
– Charged to profit or loss	2,854	–	–	2,854
As at December 31, 2024	4,829	–	–	4,829

The table below details the credit risk exposures of the debt instruments at fair value through other comprehensive income, which are subject to ECL assessment.

	12m ECL <i>Rmb'000</i>	Lifetime ECL (not credit- impaired) <i>Rmb'000</i>	Lifetime ECL (credit- impaired) <i>Rmb'000</i>	Total <i>Rmb'000</i>
As at December 31, 2025				
Gross carrying amount	17,750,417	–	–	17,750,417
As at December 31, 2024				
Gross carrying amount	12,435,027	–	–	12,435,027

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## 29. TRADE RECEIVABLES

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Trade receivables		
– contracts with customers	1,438,608	1,070,246
Less: Allowance for credit losses	(61,424)	(19,748)
	<b>1,377,184</b>	1,050,498
Trade receivables (before allowance for credit losses) comprise:		
Fellow subsidiaries	40,203	16,390
Third parties	1,398,405	1,053,856
	<b>1,438,608</b>	1,070,246

The Group has no credit periods granted to its trade customers of toll operation business. The Group's trade receivable balance for toll operation represents toll receivables from the respective expressway fee settlement centres of Zhejiang Province and Anhui Province, Transportation Bureau of Linping County of Hangzhou, Transportation Bureau of Hangzhou, Transportation Bureau of Yiwu, Transportation Bureau of Linan of Hangzhou, Transportation Bureau of Jiaxing, etc.

In respect of the Group's asset management service, security commission and financial advisory service operated by Zheshang Securities, trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. Overdue balances are regularly monitored by the management.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Within 3 months	711,032	489,187
3 months to 1 year	395,314	391,596
1 to 2 years	242,245	168,839
Over 2 years	28,593	876
	<b>1,377,184</b>	1,050,498

## 29. TRADE RECEIVABLES (CONTINUED)

### Movement of allowance for credit losses

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
At the beginning of the year	19,748	5,748
Impairment recognised for the year	17,123	14,000
Reversal of written off	318	–
Acquisition of a subsidiary	24,235	–
At the end of the year	<b>61,424</b>	19,748

## 30. LOANS TO CUSTOMERS ARISING FROM MARGIN FINANCING BUSINESS

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Loans to margin clients	39,007,189	24,245,980
Less: Impairment allowance	<b>(42,904)</b>	(21,638)
	<b>38,964,285</b>	24,224,342

The Group has provided customers with margin financing and securities lending for securities transactions. The credit facility limits to margin clients are determined by the discounted market value of the pledged securities accepted by the Group or the market value of cash collaterals.

All of the loans to margin clients which are secured by the underlying pledged securities are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call which the customers have to make good of the shortfall. The Group has the right to process forced liquidation if the customer fails to make good of the shortfall within a short period of time.

As at December 31, 2025, loans to customers under the margin financing and securities lending activities carried out in the PRC were secured by the customers' securities and cash collateral. The undiscounted market value of the security collateral amounted to Rmb120,580,286,000 (2024: Rmb68,356,839,000). Cash collateral of Rmb6,324,597,000 (2024: Rmb3,962,276,000) received from clients was included in accounts payable to customers arising from securities business as detailed in Note 36.

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### 30. LOANS TO CUSTOMERS ARISING FROM MARGIN FINANCING BUSINESS (CONTINUED)

No ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

The following table shows the reconciliation of loss allowances that have been recognised for loans to customers arising from margin financing business.

	12m ECL <i>Rmb'000</i>	Lifetime ECL (not credit- impaired) <i>Rmb'000</i>	Lifetime ECL (credit- impaired) <i>Rmb'000</i>	Total <i>Rmb'000</i>
As at January 1, 2024	7,040	4,910	2,075	14,025
– Transfer to 12m ECL	3,923	(3,923)	–	–
– Transfer to lifetime ECL (not credit- impaired)	(43)	43	–	–
– Charged to profit or loss	(1,097)	(378)	9,088	7,613
As at December 31, 2024	9,823	652	11,163	21,638
– Transfer to 12m ECL	440	(440)	–	–
– Transfer to lifetime ECL(not credit- impaired)	(556)	556	–	–
– Charged to profit or loss	2,832	7,883	(318)	10,397
– Acquisition of a subsidiary	1,336	9,533	–	10,869
As at December 31, 2025	<b>13,875</b>	<b>18,184</b>	<b>10,845</b>	<b>42,904</b>

The tables below detail the credit risk exposures of the Group's loans to customers arising from margin financing business, which are subject to ECL assessment.

	12m ECL <i>Rmb'000</i>	Lifetime ECL (not credit- impaired) <i>Rmb'000</i>	Lifetime ECL (credit- impaired) <i>Rmb'000</i>	Total <i>Rmb'000</i>
As at December 31, 2025				
Gross carrying amount	<b>36,609,898</b>	<b>2,389,672</b>	<b>7,619</b>	<b>39,007,189</b>
As at December 31, 2024				
Gross carrying amount	24,030,085	204,732	11,163	24,245,980

## 31. OTHER RECEIVABLES AND PREPAYMENTS

### Non-current

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Prepayments	1,008,271	242,873
Receivables from government cooperation projects	632,898	742,735
	<b>1,641,169</b>	985,608

### Current

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Entrusted loan	–	180,100
Prepayments	436,720	491,682
Trading deposits (Note i)	4,842,652	3,296,745
Receivables from government cooperation projects	208,272	246,762
Receivables of commodity trading	487,084	–
Others	246,082	116,981
	<b>6,220,810</b>	4,332,270

Note:

- (i) Trading deposits mainly represent over-the-counter option deposit and equity swap deposit.

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## 32. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	12/31/2025 Rmb' 000	12/31/2024 Rmb' 000
Analysed by collateral type:		
Bonds	3,697,817	2,858,303
Stock securities	3,685,156	2,734,995
	<b>7,382,973</b>	5,593,298
Less: Impairment allowance	<b>(107,786)</b>	(102,242)
	<b>7,275,187</b>	5,491,056
Analysed by market:		
Inter-bank market	101,462	2,000
Shanghai/Shenzhen Stock Exchange	7,281,511	5,591,298
	<b>7,382,973</b>	5,593,298
Less: Impairment allowance	<b>(107,786)</b>	(102,242)
	<b>7,275,187</b>	5,491,056
Analysed for reporting purposes as:		
Current assets	7,275,187	5,491,056
Non-current assets	—	—
	<b>7,275,187</b>	5,491,056

The collateral includes both equity and debt securities listed in the PRC. As at December 31, 2025, the fair value of securities held as collateral was Rmb14,417,506,000 (2024: Rmb10,264,849,000).

## 32. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (CONTINUED)

The following table shows the reconciliation of loss allowances that have been recognised for financial assets held under resale agreements.

	12m ECL <i>Rmb'000</i>	Lifetime ECL (not credit- impaired) <i>Rmb'000</i>	Lifetime ECL (credit- impaired) <i>Rmb'000</i>	Total <i>Rmb'000</i>
As at January 1, 2024	13,052	9,408	94,471	116,931
– Transfer to 12m ECL	4,078	(4,078)	–	–
– Transfer to lifetime ECL (not credit- impaired)	–	–	–	–
– Charged to profit or loss	(9,359)	(5,330)	–	(14,689)
As at December 31, 2024	7,771	–	94,471	102,242
– Transfer to 12m ECL	–	–	–	–
– Transfer to lifetime ECL (not credit- impaired)	(51)	51	–	–
– Charged to profit or loss	1,916	2,056	–	3,972
– Acquisition of a subsidiary	1,572	–	–	1,572
As at December 31, 2025	<b>11,208</b>	<b>2,107</b>	<b>94,471</b>	<b>107,786</b>

The tables below detail the credit risk exposures of the Group's financial assets held under resale agreements, which are subject to ECL assessment.

	12m ECL <i>Rmb'000</i>	Lifetime ECL (not credit- impaired) <i>Rmb'000</i>	Lifetime ECL (credit- impaired) <i>Rmb'000</i>	Total <i>Rmb'000</i>
As at December 31, 2025				
Gross carrying amount	<b>7,128,791</b>	<b>159,711</b>	<b>94,471</b>	<b>7,382,973</b>
As at December 31, 2024				
Gross carrying amount	5,498,827	–	94,471	5,593,298

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### 33. BANK BALANCES AND CLEARING SETTLEMENT FUND HELD ON BEHALF OF CUSTOMERS

For the Group's securities operation carried out by Zheshang Securities, the Group receives and holds money deposited by customers (including other institutions). These customers' money is maintained in one or more segregated bank accounts. The Group has recognised the corresponding accounts payable to the respective customers and other institutions.

Bank balances and clearing settlement fund held on behalf of customers carry interest at market rates which range from 0.05% to 1.55% (2024: 0.1% to 2.45%) per annum. Bank balances and clearing settlement fund held on behalf of customers that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	HKD <i>Rmb'000</i>	USD <i>Rmb'000</i>
As at December 31, 2025	549,827	1,477,341
As at December 31, 2024	185,703	799,113

### 34. BANK BALANCES, CLEARING SETTLEMENT FUND, DEPOSITS AND CASH

#### Non-current

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Time deposits	7,144,557	8,971,236

### 34. BANK BALANCES, CLEARING SETTLEMENT FUND, DEPOSITS AND CASH (CONTINUED)

#### Current

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Time deposits with original maturity over three months	10,354,097	2,379,965
Restricted bank balances and cash (Note)	116,834	80,259
Cash and cash equivalents	23,565,920	20,932,480
	<b>34,036,851</b>	23,392,704

Note: The restricted bank deposits include the bank acceptance deposits, fund management risk reserve, collective asset management scheme deposits and margin deposits.

Bank balances carry interest at the average market rate of 0.05% (2024: 0.10%) per annum. Time deposits carry interest at fixed rates ranging from 1.55% to 4.53% (2024: 2.15% to 4.72%) per annum.

Bank balances, clearing settlement fund, deposits and cash that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	HKD <i>Rmb'000</i>	USD <i>Rmb'000</i>
As at December 31, 2025	2,597,193	267,980
As at December 31, 2024	2,456,880	748,711

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### 35. PLACEMENTS FROM OTHER FINANCIAL INSTITUTIONS

	12/31/2025 Rmb' 000	12/31/2024 Rmb' 000
Due to banks	1,600,000	1,750,000
Placements from China Securities Finance Corporation Limited	3,818,251	–
	<b>5,418,251</b>	1,750,000

As at December 31, 2025, the effective interest rates bearing on the outstanding amounts due to banks varied from 1.30% to 2.00% (December 31, 2024: 1.45% to 2.75%) per annum. The amounts due to banks were repayable within seven days from the end of the reporting period. As at December 31, 2025, the effective interest rates bearing on the outstanding amounts due to China Securities Finance Corporation Limited (“CSFC”) varied from 1.63% to 2.42% (December 31, 2024: Nil) per annum. The amounts due to CSFC were repayable within one year from the end of the reporting period.

### 36. ACCOUNTS PAYABLE TO CUSTOMERS ARISING FROM SECURITIES BUSINESS

The amounts mainly represent money held by the Group on behalf of clients at the banks and clearing houses.

The amounts also include payables for securities/futures business as well as cash collateral from customers for securities lending and/or margin financing arrangement.

The majority of the accounts payable balance is repayable on demand except where certain accounts payable to brokerage clients represent margin deposits received from clients for their trading activities under normal course of business. No ageing analysis is disclosed as in the opinion of the Directors, an ageing analysis does not give any additional value in view of the nature of the business.

As at December 31, 2025, cash collateral of Rmb6,324,597,000 (2024: Rmb3,962,276,000) has been received from clients for securities lending or margin financing arrangement, under the normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

### 36. ACCOUNTS PAYABLE TO CUSTOMERS ARISING FROM SECURITIES BUSINESS (CONTINUED)

Accounts payable to customers arising from securities business that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	HKD <i>Rmb'000</i>	USD <i>Rmb'000</i>
As at December 31, 2025	549,827	1,477,341
As at December 31, 2024	185,703	799,113

### 37. TRADE PAYABLES

Trade payables mainly represent the payables for the expressway improvement projects. The following is an ageing analysis of trade payables presented based on the invoice date:

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Within 3 months	650,547	537,785
3 months to 1 year	151,292	124,735
1 to 2 years	97,292	132,298
2 to 3 years	59,897	76,991
Over 3 years	243,144	271,397
	<b>1,202,172</b>	<b>1,143,206</b>

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## 38. OTHER PAYABLES AND ACCRUALS

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Accrued payroll and welfare	2,277,527	1,550,259
Advances	38,807	20,919
Advance payments for settlement from securities business	32,338	73,869
Trading deposit and settlement (Note)	5,849,691	5,937,262
Deposit received for disposal of an associate	207,000	207,000
Retention payable	140,685	118,524
Pledge deposit for warehouse receipt	85,393	214,285
Compensations for highway crossing	21,205	38,909
Clearing funds payable	437,038	503,337
Toll collected on behalf of other toll roads	8,007	8,160
Futures risk reserve	236,972	197,120
Government subsidies for removal of expressway toll stations on provincial borders	15,949	23,924
Deferred income	62,646	63,767
Notes payable	151,288	73,150
Balance payable of share purchase	—	779,016
Government subsidies for transportation infrastructure	123,064	144,490
Proceeds from underwriting securities received on behalf of customers	798,390	17,532
Others	455,063	160,480
	<b>10,941,063</b>	10,132,003

Note: Trading deposits mainly represent over-the-counter option deposit and equity swap deposit.

### 39. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	12/31/2025		
	Nominal Amount	Assets	Liabilities
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
Equity swap	2,132,569	78,386	101,445
Equity option	27,981,102	304,403	467,248
Commodity futures	20,446,518	–	–
Commodity options	3,440,085	13,309	23,917
Commodity forwards	1,223,064	13,199	16,480
Others (Note)	21,375,880	478	35
	<b>76,599,218</b>	<b>409,775</b>	<b>609,125</b>

	12/31/2024		
	Nominal Amount	Assets	Liabilities
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
Equity swap	3,753,197	9,150	108,719
Equity option	13,809,060	532,083	419,781
Commodity futures	15,910,248	–	–
Commodity options	2,426,921	15,320	17,844
Commodity forwards	782,305	12,465	10,378
Others (Note)	11,176,482	1,443	1,409
	<b>47,858,213</b>	<b>570,461</b>	<b>558,131</b>

Note:

Others include stock index futures, treasury futures, interest rate swap (“IRS”) and other options.

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group’s position in stock index futures and treasury futures were settled daily. Accordingly, the net position of them in derivative instruments were nil at December 31, 2025 and 2024.

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group’s position in IRS were settled daily in the corresponding payments or receipts included in “clearing settlement funds” as at December 31, 2025. Accordingly, the net position of the IRS contracts in derivative instruments was nil at December 31, 2025 (2024: nil).

The IRS contracts and other options in Chinese mainland not under the daily mark-to-market and settlement arrangement are presented gross at the end of the reporting period.

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## 40. BANK AND OTHER BORROWINGS

	12/31/2025 Rmb' 000	12/31/2024 Rmb' 000
Loans from banks, secured (Note i)	11,718,475	13,004,328
Loans from banks and others, unsecured	5,573,099	3,398,078
Loans from related parties, unsecured (Notes 58(i), 58(ii))	545,431	682,694
	<b>17,837,005</b>	17,085,100
Carrying amount repayable:		
Within one year	2,340,672	2,507,616
More than one year but not more than two years	4,704,590	1,398,110
More than two years but not more than five years	5,096,683	7,597,464
More than five years	5,695,060	5,581,910
	<b>17,837,005</b>	17,085,100
Less: Amounts due within one year	<b>(2,340,672)</b>	(2,507,616)
Amounts shown under non-current liabilities	<b>15,496,333</b>	14,577,484
The bank and other borrowings comprise:		
Fixed-rate borrowings	1,976,489	1,705,058
Variable-rate borrowings	15,860,516	15,380,042
	<b>17,837,005</b>	17,085,100

The range of effective interest rates (which are also agreed to contract interest rates) on the Group's borrowings are as follows:

	12/31/2025	12/31/2024
Effective interest rate:		
Fixed-rate borrowings	<b>2.50%-5.72%</b>	2.69%-6.03%
Variable-rate borrowings	<b>2.11%-2.95%</b>	2.27%-4.50%

Note:

- i As at December 31, 2025, the Group pledged the following assets for these secured loans from financial institutions: (i) other receivables with an aggregate carrying value of Rmb841,170,000 (2024: Rmb989,497,000) and (ii) expressway operating rights of Zhoushan Bay Bridge, LongLi Expressway and Lilong Expressway, Zhajiasu Expressway, HuangQuNan Expressway, and Zhejiang Jinhua Yongjin Expressway (2024: expressway operating rights of Zhoushan Bay Bridge, LongLi Expressway and Lilong Expressway, Zhajiasu Expressway, and HuangQuNan Expressway) and (iii) securities collateral from loans to customers arising from margin financing business.

## 41. SHORT-TERM FINANCING NOTES PAYABLE

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Unsecured:		
Short-term financing bond	8,754,750	7,019,962
Beneficial certificates	4,830,457	65,666
<b>Total</b>	<b>13,585,207</b>	<b>7,085,628</b>

As at December 31, 2025, the short-term financing bond bears an interest rate between 1.67% and 1.75% (2024: 1.78% and 2.25%) and the yields of all the outstanding beneficial certificates were between 1.60% and 8.30% (2024: 7.00%).

## 42. BONDS PAYABLE

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Corporate and subordinated bonds without redemption option (Note i, ii)	40,218,556	27,821,866
Medium-term notes	—	3,048,688
	<b>40,218,556</b>	<b>30,870,554</b>
Less: Bonds due within 1 year	<b>(19,328,956)</b>	<b>(10,994,506)</b>
<b>Amounts shown under non-current liabilities</b>	<b>20,889,600</b>	<b>19,876,048</b>

Notes:

- (i) This balance represented 16 corporate bonds, 6 subordinated bonds and 21 beneficial certificate (2024: 9 corporate bonds, 5 subordinated bonds and 2 beneficial certificate) due by year 2026 to 2029 (2024: 2025 to 2029) issued by Zheshang Securities, without redemption option, with fixed interest rates ranging from 1.85% to 4.07% (2024: 2.07% to 4.08%) per annum, with variable interest rates ranging from 3.75% to 8.30% (2024: Nil) per annum
- (ii) On July 14, 2021, the Group issued the 1.638% Bonds due 2026 in the aggregate principal amount of USD470,000,000. The bonds will bear interest from and including 14 July 2021 at the rate of 1.638% per annum, payable semi-annually in arrear on 14 January and 14 July each year

# Notes to the Consolidated Financial Statements

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## 43. CONVERTIBLE BONDS

On January 20, 2021, the Company issued a zero coupon convertible bond due 2026 in an aggregate principal amount of Euro230,000,000. The Convertible Bond 2021 is listed on the Stock Exchange.

The principal terms of the Convertible Bond 2021 are set out below:

### (1) Conversion right

The Convertible Bond 2021 will, at the option of the holders (the “Bondholders 2021”), be convertible (unless previously redeemed, converted or purchased and cancelled) on or after March 2, 2021 up to January 10, 2026 into fully paid ordinary shares with a par value of Rmb1.00 each at an initial conversion price (the “Conversion Price 2021”) of HKD8.83 per H share and a fixed exchange rate of HKD9.5145 to Euro1.00 (the “Fixed Exchange Rate”). The Conversion Price 2021 is subject to anti-dilutive adjustments and certain events including mainly: share consolidation, subdivision or re-classification, capitalisation of profits or reserves, capital distributions, rights issue of shares or options over shares, rights issue of other securities and issues at less than current market price.

### (2) Redemption

#### (i) *Redemption at maturity*

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Convertible Bond 2021 at 100 percent of its outstanding principal amount on the maturity date of January 20, 2026 (the “Maturity Date 2021”).

#### (ii) *Redemption at the option of the Company*

The Company may, having given not less than 30 nor more than 60 days’ notice, redeem the Convertible Bond 2021 in whole and not some only at 100 percent of the outstanding principal amount as at the relevant redemption date.

## 43. CONVERTIBLE BONDS (CONTINUED)

### (2) Redemption (continued)

#### (ii) *Redemption at the option of the Company (continued)*

- (a) at any time after January 20, 2024 but prior to the Maturity Date 2021, provided that no such redemption may be made unless the closing price of an H share translated into Euro at the prevailing rate applicable to each Stock Exchange business day, for any 20 Stock Exchange business days within a period of 30 consecutive Stock Exchange business days, the last of such Stock Exchange business day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 Stock Exchange business days, at least 130 percent of the Conversion Price 2021 (translated into Euro at the Fixed Exchange Rate); or
- (b) if at any time the aggregate principal amount of the Convertible Bond 2021 outstanding is less than 10 percent of the aggregate principal amount originally issued.

#### (iii) *Redemption at the option of the bondholders*

The Company will, at the option of the Bondholders, redeem the whole or some of that holder's bond on January 20, 2024 (the "Put Option Date") at the outstanding principal amount on that date.

The Convertible Bond 2021 comprises two components:

- (a) Debt component initially measured at fair value amounted to Euro183,297,000 (equivalent to Rmb1,443,009,000). It is subsequently measured at amortised cost by applying effective interest rate method after considering the effect of the transaction costs. The effective interest rate used is 4.74%.
- (b) Derivative component comprises conversion right of the bondholders, redemption option of the Company, and redemption option of the bondholders.

Transaction costs totalling Rmb8,427,515 that relate to the issue of the Convertible Bond 2021 are allocated to the components (including conversion right and redemption options) in proportion to their respective fair values.

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### 43. CONVERTIBLE BONDS (CONTINUED)

Transaction costs amounting to approximately Rmb1,711,247 relating to the derivative component were charged to profit or loss during the year ended December 31, 2021. Transaction costs amounting to approximately Rmb6,716,268 relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the Convertible Bond 2021 using the effective interest method.

The derivative component was measured at fair value with reference to valuation carried out by a firm of independent professional valuers.

The movement of the debt and derivative components of the Convertible Bond 2021 for the years ended December 31, 2025 and 2024 are set out below:

	Debt component at amortised cost		Derivative component at FVTPL		Total	
	<i>Euro'000</i>	<i>Rmb'000</i>	<i>Euro'000</i>	<i>Rmb'000</i>	<i>Euro'000</i>	<i>Rmb'000</i>
As at January 1, 2024	227,481	1,787,819	3,518	27,646	230,999	1,815,465
Redemption	(202,600)	(1,592,274)	-	-	(202,600)	(1,592,274)
Conversion of Convertible Bond	(200)	(1,472)	(22)	(164)	(222)	(1,636)
Exchange realignment	-	(8,243)	-	-	-	(8,243)
Interest charge	1,192	8,879	-	-	1,192	8,879
Loss on changes in fair value	-	-	512	2,676	512	2,676
As at December 31, 2024	25,873	194,709	4,008	30,158	29,881	224,867
Conversion of Convertible Bond	<b>(26,608)</b>	<b>(217,028)</b>	<b>(4,806)</b>	<b>(40,180)</b>	<b>(31,414)</b>	<b>(257,208)</b>
Exchange realignment	-	<b>16,457</b>	-	-	-	<b>16,457</b>
Interest charge	<b>735</b>	<b>5,862</b>	-	-	<b>735</b>	<b>5,862</b>
Loss on changes in fair value	-	-	<b>798</b>	<b>10,022</b>	<b>798</b>	<b>10,022</b>
As at December 31, 2025	-	-	-	-	-	-

### 43. CONVERTIBLE BONDS (CONTINUED)

On December 22, 2023, pursuant to the terms and conditions of the bonds, notice of redemption had been served on the Company requiring the Company to redeem part of the bonds at the principal amount of Euro202,600,000. Such redemption rights were executed on January 20, 2024. During the year ended December 31, 2024, the bondholders converted part of the Convertible Bond 2021 with a principal amount of Euro200,000 to the shares of the Company. During the year ended December 31, 2025, the bondholder converted remaining Convertible Bond 2021 with principal amount of Euro27,200,000 to the shares of the Company.

### 44. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	12/31/2025 Rmb'000	12/31/2024 Rmb'000
Analysed as collateral type:		
Bonds	34,378,569	23,139,450
Equity securities	54,193	–
Analysed by market:		
Shanghai/Shenzhen Stock Exchange	8,484,885	5,632,127
Inter-bank market	25,947,877	17,507,323
	34,432,762	23,139,450

As at December 31, 2025 and 2024, the above financial assets sold under repurchase agreements include those repurchase agreements entered into with qualified investors, with maturities within 1 year.

Sales and repurchase agreements are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. Since the repurchase prices are fixed, the Group is still exposed to substantially all the credit risks and market risks and rewards of those securities sold. These securities are not derecognised from the financial statements but regarded as “collateral” for the liabilities because the Group retains substantially all the risks and rewards of these securities. The cash proceeds received are recognised as financial liabilities.

As at December 31, 2025 and 2024, the Group entered into repurchase agreements with certain counterparties. The proceeds from selling such securities are presented as financial assets sold under repurchase agreements. Because the Group sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred securities during the term of the arrangement.

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### 45. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Financial liabilities held for trading:		
– Securities	1,629	1,698
Financial liabilities designated at FVTPL:		
– Financial liabilities arising from consolidation of structured entities (Note)	576,072	478,855
	<b>577,701</b>	480,553

Note: Financial liabilities designated at FVTPL arising from consolidation of structured entities represent the third party unit holders' interests in the consolidated structured schemes and funds. Interests in these consolidated structured entities directly held by the Group had fair values of Rmb1,740,117,000 and Rmb1,766,693,000 at December 31, 2025 and 2024, respectively. The total assets of the consolidated structured entities amounted to Rmb1,753,711,000 and Rmb1,998,450,000 at December 31, 2025 and 2024, respectively.

The Group has designated these liabilities as at FVTPL, as in the opinion of the management, such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

## 46. LEASE LIABILITIES

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Lease liabilities payables		
Within one year	203,143	147,689
Within a period of more than one year but no more than two years	175,203	104,522
Within a period of more than two years but no more than five years	212,799	138,859
Within a period of more than five years	72,304	3,025
	<b>663,449</b>	394,095
Less: Amounts due for settlement with 12 months shown under current liabilities	<b>(203,143)</b>	(147,689)
Amount due for settlement after 12 months shown under non-current liabilities	<b>460,306</b>	246,406

## 47. DEFERRED TAXATION

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

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Deferred tax assets	1,551,257	1,274,351
Deferred tax liabilities	<b>(499,519)</b>	(518,088)
	<b>1,051,738</b>	756,263

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

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## 47. DEFERRED TAXATION (CONTINUED)

	Changes in fair value of financial instruments carried at fair value <i>Rmb'000</i>	Difference in tax and accounting depreciation of property, plant and equipment and expressway operating rights <i>Rmb'000</i>	Fair value adjustment of long term assets arising from business combination <i>Rmb'000</i>	Temporary differences of accrued expenses and impairment losses and tax losses and others <i>Rmb'000</i>	Total <i>Rmb'000</i>
At January 1, 2024	(110,902)	671,641	(119,617)	744,885	1,186,007
Charged/(credited) to profit or loss	(51,905)	(54,124)	13,177	(99,569)	(192,421)
Charged to other comprehensive income	(115,247)	–	–	(713)	(115,960)
Charged to reserve	–	–	–	(121,363)	(121,363)
At December 31, 2024	(278,054)	617,517	(106,440)	523,240	756,263
Charged/(credited) to profit or loss	(4,415)	27,288	20,871	126,651	170,395
Charged to other comprehensive income	51,528	–	–	–	51,528
Acquisition of a subsidiary	15,197	(5,625)	(64,142)	128,122	73,552
At December 31, 2025	<b>(215,744)</b>	<b>639,180</b>	<b>(149,711)</b>	<b>778,013</b>	<b>1,051,738</b>

## 47. DEFERRED TAXATION (CONTINUED)

As at December 31, 2025, the Group had unused tax losses of approximately Rmb285,563,000 (2024: Rmb147,778,000). The expiry dates of the unrecognised tax losses are listed below.

	12/31/2025 Rmb' 000	12/31/2024 Rmb' 000
2025	–	6,590
2026	11,287	22,593
2027	63,270	79,374
2028	28,173	26,919
2029	132,779	12,302
2030	50,054	–
	<b>285,563</b>	147,778

## 48. SHARE CAPITAL

	Number of shares			Share Capital		
	Domestic shares '000	H Shares '000	Total '000	Domestic shares Rmb'000	H Shares Rmb'000	Total Rmb'000
Registered, issued and fully paid:						
At January 1, 2024	4,014,779	1,978,719	5,993,498	4,014,779	1,978,719	5,993,498
Conversion of Convertible Bond 2021	–	303	303	–	303	303
At December 31, 2024	4,014,779	1,979,022	5,993,801	4,014,779	1,979,022	5,993,801
Conversion of Convertible Bond 2021	–	44,314	44,314	–	44,314	44,314
At December 31, 2025	<b>4,014,779</b>	<b>2,023,336</b>	<b>6,038,115</b>	<b>4,014,779</b>	<b>2,023,336</b>	<b>6,038,115</b>

The domestic shares are not currently listed on any stock exchange.

The H Shares have been listed on the Stock Exchange since May 15, 1997.

All the domestic shares and H Shares rank pari passu with each other as to dividends and voting rights.

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## 49. NON-CONTROLLING INTERESTS

The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests, namely Shangsans Co and its subsidiaries, Linping Co (as defined in Note 59), and Jiaying Zhajiasu Expressway Co., Ltd. ("Zhajiasu Co") at the end of the reporting period are set out below. The summarised financial information below represents the amounts before intragroup elimination with the Company.

### Shangsans Co and its subsidiaries

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	201,906,164	136,638,265
Non-current assets	33,892,425	23,624,392
Current liabilities	156,430,306	101,037,510
Non-current liabilities	21,697,760	17,051,107
Equity attributable to owners of the Company	28,317,104	22,851,370
Non-controlling interests	29,353,419	19,322,669
Revenue	8,434,113	7,254,751
Expenses	(5,204,834)	(4,728,136)
Profit for the year	3,229,279	2,526,615
Other comprehensive (loss)/ income for the year	(91,006)	178,646
Total comprehensive income for the year	3,138,273	2,705,261
Profit attributable to owners of the Company	1,062,948	1,160,970
Profit attributable to non-controlling interests	2,166,331	1,365,645
	3,229,279	2,526,615
Total comprehensive income attributable to owners of the Company	924,824	1,292,498
Total comprehensive income attributable to non-controlling interests	2,213,449	1,412,763
	3,138,273	2,705,261
Dividends paid to non-controlling shareholders	(2,060,538)	(548,573)
Net cash inflow from operating activities	1,568,087	6,182,103
Net cash outflow from investing activities	(7,796,849)	(5,027,890)
Net cash inflow from financing activities	8,005,124	7,104,743
Net cash inflow	1,776,362	8,258,956

## 49. NON-CONTROLLING INTERESTS (CONTINUED)

### Linping Co

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	344,823	591,133
Non-current assets	1,113,861	802,282
Current liabilities	73,640	71,595
Non-current liabilities	4,491	4,831
Equity attributable to owners of the Company	705,891	673,473
Non-controlling interests	674,662	643,516
Revenue	253,169	242,514
Expenses	(151,994)	(134,162)
Profit for the year	101,175	108,352
Profit and total comprehensive income		
– attributable to owners of the Company	51,599	55,259
– attributable to non-controlling interests	49,576	53,093
	101,175	108,352
Dividends paid to non-controlling shareholders	(18,430)	(37,612)
Net cash inflow from operating activities	109,346	10,789
Net cash (outflow)/inflow from investing activities	(351,207)	47,253
Net cash outflow from financing activities	(37,612)	(37,612)
Net cash (outflow)/inflow	(279,473)	20,430

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## 49. NON-CONTROLLING INTERESTS (CONTINUED)

## Zhajiasu Co

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Current assets	557,974	618,073
Non-current assets	2,358,094	2,104,164
Current liabilities	70,970	103,330
Non-current liabilities	1,492,062	1,275,594
Equity attributable to owners of the Company	744,170	738,822
Non-controlling interests	608,866	604,491
Revenue	809,871	727,699
Expenses	(800,148)	(695,651)
Profit for the year	9,723	32,048
Profit and total comprehensive income		
– attributable to owners of the Company	5,348	17,626
– attributable to non-controlling interests	4,375	14,422
	9,723	32,048
Net cash inflow from operating activities	306,507	352,082
Net cash outflow from investing activities	(507,293)	(279,168)
Net cash inflow/(outflow) from financing activities	184,405	(4,918)
Net cash (outflow)/inflow	(16,381)	67,996

## 50. BUSINESS COMBINATION

On December 26, 2024, Zheshang Securities acquired a 34.2546% equity interest in Guodu Securities. And during the year ended 31 December 2025, the Group acquired additional 30 million shares (equivalent to 0.5146%) of Guodu Securities. Following the resolution passed at the 32nd (extraordinary) meeting of the 2nd session of the board of directors on April 27, 2025 and 2025 first extraordinary shareholders' meeting on May 15, 2025 of Guodu Securities, the board of directors of Guodu Securities completed its re-election. Zheshang Securities nominated and appointed more than half of the directors on the board of directors of Guodu Securities, becoming the controlling shareholder of Guodu Securities, and included Guodu Securities into the scope of consolidation in May 2025.

The fair values of identifiable assets and liabilities of Guodu Securities at the acquisition date were as follows:

	NOTES	Fair value recognised on acquisition <i>Rmb'000</i>
Property, plant and equipment	18	46,249
Right-of-use assets	19	63,011
Other intangible assets	22	281,737
Interests in associates		2,843,000
Financial assets at FVTPL-non-current		80,700
Other non-current assets		159,728
Financial assets as FVTPL-current		18,286,264
Debt instruments at FVTOCI		665,285
Other current assets		911,177
Loans to customers arising from margin financing business		5,128,560
Bank balances and clearing settlement fund held on behalf of customers		6,171,157
Bank balances, clearing settlement fund, deposits and cash		2,400,126
Placements from other financial institutions		(2,812,677)
Accounts payable to customers arising from securities business		(6,664,218)
Other current liabilities		(508,353)
Short-term financing notes payable		(1,388,475)
Bonds payable		(3,099,078)
Financial assets sold under repurchase agreements		(8,707,306)
Other non-current liabilities		(145,731)
Total identifiable net assets at fair value		13,711,156
Non-controlling interests		(9,000,056)
Goodwill on acquisition		662,164
		5,373,264
Total purchase consideration		5,373,264

## Notes to the Consolidated Financial Statements

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### 50. BUSINESS COMBINATION (CONTINUED)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>Rmb'000</i>
Cash consideration	(814,821)
Bank balances and cash	2,400,126
Net inflow of cash and cash equivalents included in cash flows from investing activities	1,585,305

Since the acquisition, Guodu Securities contributed Rmb1,194,966,000 to the Group's revenue and Rmb535,608,000 to the consolidated profit for the year ended December 31, 2025.

Had the combination taken place at the beginning of the year, the revenue from the Group and the profit of the Group for the year would have been Rmb21,362,376,000 and Rmb8,614,206,000, respectively.

### 51. RETIREMENT BENEFIT SCHEMES

The employees of the Group are members of the state-managed retirement benefits scheme operated by the PRC government. To supplement this existing retirement benefit scheme, the Group adopted a corporate annuity scheme in accordance with relevant rules and regulations. The Group is required to contribute a certain percentage of payroll costs to these retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to these retirement benefit schemes is to make the specified contributions.

No forfeited contributions are available to reduce the contributions payable in future years.

### 52. COMMITMENTS

	<b>12/31/2025</b> <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Authorised but not contracted for:		
– Purchase of machinery and equipment	<b>1,740,611</b>	1,583,580
– Acquisition and construction of properties	<b>162,885</b>	235,131
– Construction projects of expressways	<b>2,823,000</b>	2,800,000
Contracted for but not provided:		
– Equity investments	<b>226,000</b>	793,000
Total	<b>4,952,496</b>	5,411,711

## 53. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities disclosed in Notes 40, 41, 42, 43, 44 and 46, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

## 54. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
<b>Financial assets</b>		
Financial assets at FVTPL	50,479,957	36,022,565
Financial assets at FVTOCI	24,332,863	14,143,786
Derivative financial assets	409,775	570,461
Financial assets at amortised cost	168,057,000	116,779,515
<b>Financial liabilities</b>		
Derivative financial liabilities	609,125	558,131
Financial liabilities at FVTPL	577,701	480,553
Convertible Bonds – derivative component	–	30,158
Financial liabilities at amortised cost	186,015,595	130,499,750

# Notes to the Consolidated Financial Statements

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## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, loans to customers arising from margin financing business, other receivables, derivative financial assets, financial assets at FVTPL, debt instruments at FVTOCI, equity investments designated at FVTOCI, financial assets held under resale agreements, bank balances, clearing settlement fund held on behalf of customers, pledged bank deposits, clearing settlement fund, deposits and cash, placements from other financial institutions, accounts payable to customers arising from securities business, trade payables, other payables, derivative financial liabilities, bank and other borrowings, short-term financing notes payable, bonds payable, convertible bonds, financial guarantee contracts, financial assets sold under repurchase agreements, and financial liabilities at FVTPL. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk, and other price risk), credit risk and impairment assessment, and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

##### (i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to debt instruments at FVTOCI, loans to customers arising from margin financing business, financial assets held under resale agreements, fixed-rate time deposits, placements from other financial institutions, fixed-rate bank and other borrowings, fixed rate short-term financing notes payable, bonds payable, debt component of convertible bonds, financial assets sold under repurchase agreements and financial liabilities at FVTPL (see Notes 28, 30, 32, 34, 35, 40, 41, 42, 43, 44 and 45 for details).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and clearing settlement fund held on behalf of customers, bank balances, clearing settlement fund, deposits and bank and other borrowings (see Notes 33, 34 and 40 for details).

The Group currently does not have an interest rate risk hedging policy as the management considers the Group is not exposed to significant interest rate risk. The management will continue to monitor interest rate risk exposure and consider hedging against it should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### (i) Interest rate risk (continued)

#### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments, comprising bank balances and clearing settlement fund held on behalf of customers, bank balances, clearing settlement fund, deposits and variable-rate bank and other borrowings at the end of the reporting period.

The analysis is prepared assuming the balances outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2024: 50 basis points) increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended December 31, 2025 would have increased/decreased by Rmb341,319,000 (2024: Rmb214,046,000). This was mainly attributable to the Group's exposure to interest rates on its variable-rate bank balances and clearing settlement fund.

##### (ii) Currency risk

Several subsidiaries of the Group have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	12/31/2025 Rmb'000	12/31/2024 Rmb'000	12/31/2025 Rmb'000	12/31/2024 Rmb'000
Hong Kong dollar ("HKD")	3,141,934	2,337,676	549,827	181,962
United States dollar ("USD")	1,806,062	1,020,254	4,780,877	4,113,823
Euro dollar ("EUR") (Note)	—	—	—	241,916

Note: Amount represented both the debt and derivative components of the Convertible Bond 2021.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### (ii) Currency risk (continued)

#### Sensitivity analysis

The Group is mainly exposed to HKD, USD and EUR relative to Rmb. The following table details the Group's sensitivity to a 10% (2024: 10%) increase and decrease in Rmb against the relevant foreign currencies. 10% (2024: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% (2024: 10%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit where Rmb strengthens by 10% (2024: 10%) against the relevant currency. For a 10% (2024: 10%) weakening of Rmb against the relevant currency, there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	HKD impact		USD impact		EUR impact	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
Profit or loss	<b>(194,408)</b>	(161,679)	<b>223,111</b>	235,480	–	17,374

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### (iii) Other price risk

The Group is exposed to equity and debt security price risk in relation to its financial assets at FVTPL, derivative financial assets and liabilities and financial liabilities at FVTPL.

The Group currently does not have a price risk hedging policy and the management will continue to monitor price risk exposure and consider hedging against it should the need arise.

Sensitivity analysis

#### For financial instruments other than derivative component of Convertible Bond 2021

The sensitivity analysis below has been determined based on the exposure to equity and debt security price risks at the reporting date.

If the prices of the respective equity and debt instruments had been 5% (2024: 5%) higher/lower,

- post-tax profit for the year ended December 31, 2025 would have increased/decreased by Rmb1,892,998,000 as a result of the changes in fair value of financial assets at FVTPL.
- post-tax profit for the year ended December 31, 2024 would have increased/decreased by Rmb1,350,846,000 as a result of the changes in fair value of financial assets at FVTPL.

#### For derivative component of Convertible Bond 2021

The price risk in 2024 arose from the derivative component of Convertible Bond 2021.

The exposure to foreign currency exchange rate of the Convertible Bond 2021 has been covered in Note 54(b)(ii) already.

# Notes to the Consolidated Financial Statements

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## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### For derivative component of Convertible Bond 2021 (continued)

Conversion option derivatives of Convertible Bond 2021

#### 1) Changes in share price

If the share price of the Company had been 10% (2024:10%) higher/lower while all other input variables of the valuation models were held constant, the Group's profit for the year would have (decreased)/increased as follows:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
10% Higher	-	(12,533)
10% Lower	-	12,368

#### 2) Changes in volatility

If the volatility to the valuation model had been 10% (2024:10%) higher/lower while all other variables were held constant, the Group's profit for the year would have (decreased)/increased as follows:

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
10% Higher	-	(1,548)
10% Lower	-	2,363



## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment

As at December 31, 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group arose from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liability in relation to financial guarantee contracts issued by the Group as disclosed in Note 57.

The credit risk on liquid funds, representing bank balances, clearing settlement fund, deposits and cash is limited because the counterparties are state-owned banks or banks with high credit ratings assigned by international credit-rating agencies.

Other items under the Group's different operations with credit risk and corresponding impairment assessment are set out below:

#### *Toll operation and high grade road construction service*

The Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances arising from toll operation on a collective basis or individual basis, using life time ECL under the simplified approach.

The Group has no credit period granted to its trade customers of toll operation. All the Group's trade receivable balances for toll operation, upon the conditions satisfied, are receivable from the government-operated organisations. In this regard, the Directors consider that the credit risk is low as the Group has no history of loss experience with the government-operated organisations in the past. No significant ECL was recognised as at December 31, 2025 and 2024.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

##### *Securities operation*

The Group's securities operation currently faces credit risk primarily from loans to customers arising from margin financing business, and financial assets held under resale agreements which are secured by clients' securities or deposits held as collateral. It refers to the risk of loss arising from the debtor's failure to meet its contractual obligations in a timely manner.

##### i) Credit risk management

Credit risk from loans to customers arises from margin financing business and financial assets held under resale agreements mainly including the debtor falsifying the application, failing to repay debts, violating the agreement, violating regulatory discipline of trading behaviour, and providing collateral that involves law dispute, etc. The Group's management authorises professional personnel to examine and approve the credit limit of these businesses, as well as adjusts such credit limit in accordance with the regular assessment of the debtor's repayment capacity. Risk management division oversees the collateral and usage of related credit limit, and initiates margin call if necessary. Once the debtor fails to enhance the collateral to the account, the credit risk will be controlled by liquidating the pledged securities.

##### ii) Measurement of ECL

Since January 1, 2018, the Group has applied the ECL model to measure the expected credit losses for applicable financial assets mainly including loans to customers arising from margin financing business and financial assets held under resale agreements.

The Group has used the "3 stage" ECL model to assess the credit losses when its credit risk has increased significantly since initial recognition:

- (i) An asset moves to stage 1 where there has low risk of default or has not been a significant increase in credit risk and that is not credit impaired. The Group will continuously monitor its credit risk;
- (ii) An asset moves to stage 2 where there has been a significant increase in credit risk since initial recognition but that is not credit impaired. The Group does not see it as an instrument with impairment loss;

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

##### *Securities operation (continued)*

- ii) Measurement of ECL (continued)
- (iii) An asset moves to stage 3 when impairment losses were incurred; and
- (iv) The loss impairment for financial instruments in stage 1 is anticipated credit losses for the next 12 months, which correspond to the amount of anticipated credit losses for the entire life time resulting from possible defaults within the next 12 months. In the second or third stage, the expected credit losses of financial instruments are measured for the entire life time and the expected credit losses are recorded.

The factors the Group considers whether credit risk increases significantly, refer to Note 4. In particular, for loans to customers arising from margin financing business and financial assets held under resale agreements, the Group generally believes that when the loan to collateral ratio determined by fair value reaches the warning line, the credit risk increases significantly and needs to be transferred to “stage 2”, and when the loan to collateral ratio determined by fair value reaches the liquidation line or expect there would be loss after closing the position mandatorily, it will be transferred to “stage 3”.

The Group uses PD, EAD and LGD to measure credit risks:

- (i) PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions;
- (ii) EAD is the amount that the Group should be repaid at the time of default in the next 12 months or throughout the remaining life; and
- (iii) LGD is an estimate of the loss arising on default. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.

The expected credit losses are measured based on the probability weighted results of PD, EAD and LGD.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

##### *Securities operation (continued)*

The assessment of significant increase in credit risk and the measurement of ECL all involve forward-looking information. When considering macroeconomic forward-looking adjustments, the Group simulates optimistic, extremely optimistic, pessimistic, and extremely pessimistic scenarios by adjusting the coefficients of the baseline scenario, and assigns corresponding weights. Through the analysis of historical data, the Group identifies the key economic indicators affecting the credit risk and ECL of each asset portfolio.

The Group regularly forecasts the economic condition by selecting various indicators within the macroeconomic indicator pool to make a sound estimation of the ECL.

In order to determine the relationship between these economic indicators and the default probability as well as the default loss rate, the Group constructs an econometric model to determine the impact of historical changes in these indicators on the PD and LGD.

The Group makes forward-looking estimation of the ECL based on the scenario reflecting key economic indicators above. The Group accrues the credit loss provisions for the next 12 months for financial assets in Stage 1, and accrues the credit loss provisions for the whole life for those financial assets in Stage 2 and Stage 3. The Group has classified exposures with similar risk characteristics when calculating anticipated credit loss impairment in a portfolio. During the classification, the Group obtained sufficient information to ensure its statistical reliability.

##### *Other operations*

In respect of the Group's other operations, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The Group did not experience significant credit loss on its other operations, and performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprised the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/other items (Note)
Low risk (stage 1)	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful (stage 2)	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss (stage 3)	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Note: Other financial assets include loans to customers arising from margin financing business, bank balances, clearing settlement fund, deposits and cash, pledged bank deposits, bank balances and clearing settlement fund held on behalf of customers, debt instruments at FVTOCI, financial assets held under agreements and other receivables.

## Notes to the Consolidated Financial Statements

December 31, 2025

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

## (b) Financial risk management objectives and policies (continued)

## Credit risk and impairment assessment (continued)

The table below details the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	12/31/2025 Gross carrying amount Rmb'000	12/31/2024 Gross carrying amount Rmb'000
<b>Financial assets</b>						
Debt instruments at FVTOCI	28	N/A	Low risk	12-month ECL	17,756,360	14,143,786
Trade receivables (Note i)	29					
– toll operation		N/A	Low risk	Lifetime ECL	961,010	698,372
– securities operation		N/A	Low risk	Lifetime ECL	405,338	339,953
– others		N/A	Low risk	Lifetime ECL	72,260	31,921
Loans to customers arising from margin financing business						
– securities operation	30	N/A	Low risk Doubtful	12-month ECL Lifetime ECL – not credit – impaired	36,609,898 2,389,672	24,030,085 204,732
			Loss	Lifetime ECL – credit – impaired	7,619	11,163
Bank balances, clearing settlement fund, deposit and cash	34	AA to AAA	Low risk	12-month ECL	41,181,408	32,363,940
Bank balances and clearing settlement fund held on behalf customers – securities operation	33	AA	Low risk	12-month ECL	72,841,948	49,066,356

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	12/31/2025 Gross carrying amount Rmb'000	12/31/2024 Gross carrying amount Rmb'000
<b>Financial assets</b>						
held under resale agreements – securities operation	32	N/A	Low risk Doubtful	12-month ECL Lifetime ECL– not credit– impaired	<b>7,128,791</b> <b>159,711</b>	5,498,827 –
			Loss	Lifetime ECL– credit– impaired	<b>94,471</b>	94,471
Other receivables	31	N/A	Low risk	12-month ECL	<b>6,508,290</b>	4,655,914
<b>Other items</b>						
Financial guarantee contracts (Note ii) – toll operation	57	N/A	Low risk	12-month ECL	<b>185,262</b>	202,302

Notes:

- i. During the year ended December 31, 2025, the Group provided ECL of Rmb61,424,000 (2024: Rmb19,749,000) on trade receivables.
- ii. For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

##### *Concentration of credit risk*

As at December 31, 2025, other than the concentration of credit risk on trade receivables and financial guarantee contracts amounting to Rmb1,438,608,000 (2024: Rmb1,070,246,000), and Rmb185,262,000 (2024: Rmb202,302,000), respectively, of which these balances were only limited and concentrated to a few counterparties, the Group does not have any other significant concentrations of credit risk.

There was also no concentration of risks on its margin financing business and financial assets held under resale agreements as at December 31, 2025 and 2024 respectively as the Group has a large number of clients who are dispersed.

The Group's concentration of credit risk by geographical location is mainly in the PRC.

#### **Liquidity risk**

Most of the bank balances, clearing settlement fund, pledged bank deposits and cash at December 31, 2025 and 2024 were denominated in Rmb which is not a freely convertible currency in the international market. The exchange rate of Rmb is regulated by the PRC government and the remittance of these Rmb funds out of the PRC is subject to foreign exchange controls imposed by the PRC government.

The Group closely monitors its cash position resulting from its operations and maintains a level of cash and cash equivalents deemed adequate by the management to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. Liquidity risk analysis below excludes the derivative component of Convertible Bond 2021 as the settlement of which does not involve cash settlement. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

##### Liquidity tables

	Weighted average interest rate %	On demand or less than 3 months Rmb'000	3 months to 1 year Rmb'000	1 to 3 years Rmb'000	3 to 5 years Rmb'000	Over 5 years Rmb'000	Total undiscounted cash flows Rmb'000	Carrying amount at year end Rmb'000
<b>2025</b>								
<b>Non-derivative financial liabilities</b>								
Accounts payable to customers arising from securities business	-	72,298,470	-	-	-	-	72,298,470	72,298,470
Trade payables	-	1,202,172	-	-	-	-	1,202,172	1,202,172
Other payables	-	1,023,172	-	-	-	-	1,023,172	1,023,172
Bank and other borrowings								
- fixed rate	2.5%-5.72%	173,007	1,073,239	790,721	-	-	2,036,967	1,976,488
- variable rate	2.11%-2.95%	105,426	1,432,538	5,947,953	3,807,187	6,423,318	17,716,422	15,860,517
Short-term financing notes payable	1.88%	4,313,975	9,378,695	-	-	-	13,692,670	13,585,207
Financial assets sold under repurchase agreements	1.76%	34,440,662	41	-	-	-	34,440,703	34,432,762
Placements from other financial institutions	1.95%	3,689,524	1,745,578	-	-	-	5,435,102	5,418,251
Bonds payable	2.45%	2,562,750	17,315,429	19,548,235	2,094,200	-	41,520,614	40,218,556
Lease liabilities	1.97%-5.35%	57,036	146,108	296,651	91,354	72,305	663,454	663,449
Financial guarantees	-	185,371	-	-	-	-	185,371	-
Financial liabilities at fair value through profit or loss	-	1,629	576,072	-	-	-	577,701	577,701
		120,053,194	31,667,700	26,583,560	5,992,741	6,495,623	190,792,818	187,256,745

## Notes to the Consolidated Financial Statements

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## 54. FINANCIAL INSTRUMENTS (CONTINUED)

## (b) Financial risk management objectives and policies (continued)

## Liquidity risk (continued)

Liquidity tables (continued)

	Weighted average interest rate %	On demand or less than 3 months Rmb'000	3 months to 1 year Rmb'000	1 to 3 years Rmb'000	3 to 5 years Rmb'000	Over 5 years Rmb'000	Total undiscounted cash flows Rmb'000	Carrying amount at year end Rmb'000
<b>2024</b>								
<b>Non-derivative financial liabilities</b>								
Accounts payable to customers arising from securities business	-	48,397,105	-	-	-	-	48,397,105	48,397,105
Trade payables	-	1,143,206	-	-	-	-	1,143,206	1,143,206
Other payables	-	833,998	-	-	-	-	833,998	833,998
Bank and other borrowings								
- fixed rate	2.69%-6.03%	140,295	1,125,521	494,775	-	-	1,760,591	1,705,058
- variable rate	2.27%-4.50%	118,346	1,640,676	5,980,857	3,626,579	5,966,523	17,332,981	15,380,042
Short-term financing notes payable	2.02%	2,075,699	5,062,984	-	-	-	7,138,683	7,085,628
Financial assets sold under repurchase agreements	1.99%	23,141,663	-	-	-	-	23,141,663	23,139,450
Placements from other financial institutions	1.64%	1,750,448	-	-	-	-	1,750,448	1,750,000
Bonds payable	2.72%	2,204,220	9,225,080	18,517,618	2,094,200	-	32,041,118	30,937,290
Convertible Bonds	4.74%	234,945	-	-	-	-	234,945	224,867
Lease liabilities	3.62%-5.35%	60,196	129,432	191,884	42,638	3,313	427,463	394,095
Financial guarantees	-	209,449	-	-	-	-	209,449	-
Financial liabilities at fair value through profit or loss	-	1,698	478,855	-	-	-	480,553	480,553
		80,311,268	17,662,548	25,185,134	5,763,417	5,969,836	134,892,203	131,471,292



## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

##### *Liquidity tables (continued)*

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of the interest rates determined at the end of the reporting period.

As at December 31, 2025 and 2024, the Group did not enter into any master netting arrangements with counterparties. The collateral items for which, such as financial assets held under resale agreements, financial assets at FVTPL, loans to customers arising from margin financing business, placements from other financial institutions and financial assets sold under repurchase agreements, financial liabilities at FVTPL, etc., have been disclosed in the corresponding notes, which are generally not on the net basis in financial position. However, the risk exposure associated with favourable contracts is significantly reduced by the collateral items received by the Group which could be recovered to the extent if a default occurs, in respect of the outstanding receivable amounts from the counterparty.

The analysis above does not include the cash flow of derivatives, which do not have a material impact on the cash flow of the Group.

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## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

*Fair value measurements of financial instruments recognised in the statement of financial position that are measured at fair value on a recurring basis*

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

If there is a reliable market quote for a financial instrument, the fair value of the financial instrument is measured based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instrument is estimated using valuation techniques. For the fair value of financial instruments categorised within Level 2, the valuation techniques applied include discounted cash flow, recent transaction price and net asset value method. The significant observable inputs used in the valuation techniques used for Level 2 include future cash flows estimated based on applying the interest yield curves, net asset values determined with reference to observable (quoted) prices of underlying investment portfolio, forward interest rates and forward exchanges.

For financial instruments categorised within Level 3, fair values are determined by using valuation techniques, including valuation methods such as discounted cash flow model, the option pricing model, net asset value method and recent transaction price method. Determinations to classify fair value measurement within Level 3 are generally based on the significance of the unobservable inputs to the overall fair value measurement. The following table presents the valuation techniques and inputs used for the major financial instruments in Level 3.

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair value measurements of financial instruments (continued)

Financial instruments	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Equity securities	Level 3	The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability. This discount is determined by option pricing model.	Discount for lack of marketability; the volatility of the share prices of the securities	The higher the discount, the lower the fair value. The higher the volatility, the lower the fair value.
Debt investments	Level 3	The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability.	Discount rate	The higher the discount, the lower the fair value.
Trust products	Level 3	The fair value is determined with reference to the net asset value of the underlying investments with an adjustment of discount for the credit risk of counterparty.	Discount rate	The higher the discount, the lower the fair value.
Equity securities/ unlisted equity investments	Level 3	Recent transaction price	Discount for lack of marketability	The higher the discount, the lower the fair value.
Interests attributable to other holders of consolidated structured entities	Level 3	The fair value is determined with reference to the net asset value of the structured entities, calculated based on pricing/yield of comparable companies with an adjustment of discount for lack of marketability.	P/E multiples; discount for lack of marketability	The higher the multiples, the higher the fair value. The higher the discount, the lower the fair value.
Derivative assets/ liabilities	Level 3	The option pricing model is used which is calculated based on the option exercise price, the price and volatility of the underlying equity instrument, the option exercise time, and the risk-free interest rate.	The volatility of the underlying equity instrument for option	The higher volatility of the underlying equity instrument, the greater impact on the fair value.

There were no transfers between Level 1 and Level 2 during the year.



## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair value measurements of financial instruments (continued)

As at December 31, 2024

	Level 1 <i>Rmb'000</i>	Level 2 <i>Rmb'000</i>	Level 3 <i>Rmb'000</i>	Total <i>Rmb'000</i>
<b>Financial assets at FVTPL</b>				
– Equity securities	1,906,975	327	11,202	1,918,504
– Funds	2,135,950	6,501,342	–	8,637,292
– Debt investments	7,406,014	12,418,895	4,500	19,829,409
– Asset management schemes	–	5,181,498	–	5,181,498
– Unlisted equity investments	–	–	455,862	455,862
Sub-total	11,448,939	24,102,062	471,564	36,022,565
<b>Debt instruments at FVTOCI</b>	10,011	12,425,017	–	12,435,028
<b>Equity Investments Designated at FVTOCI</b>				
<b>FVTOCI</b>	1,699,046	9,713	–	1,708,759
<b>Derivative assets</b>	–	37,735	532,726	570,461
<b>Financial liabilities at FVTPL</b>				
– Securities	–	1,697	–	1,697
– Structured entities	–	178,289	300,567	478,856
Sub-total	–	179,986	300,567	480,553
<b>Derivative component of Convertible Bond 2021</b>				
<b>Bond 2021</b>	–	–	30,158	30,158
<b>Derivative liabilities</b>	–	138,350	419,781	558,131

The following tables represent the changes in Level 3 financial assets at FVTPL during the years ended December 31, 2025 and 2024. For the changes in Level 3 derivative component of Convertible Bond 2022 during the years ended December 31, 2025 and 2024, please refer to Note 43.

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## 54. FINANCIAL INSTRUMENTS (CONTINUED)

## (c) Fair value measurements of financial instruments (continued)

For the year ended December 31, 2025

Financial instruments in Level 3:

	Financial assets at FVTPL Rmb' 000	Derivative financial assets Rmb' 000	Financial liabilities at FVTPL Rmb' 000	Derivative financial liabilities Rmb' 000	Equity investments designated at FVTOCI Rmb' 000	Total Rmb' 000
At beginning of the year	471,564	532,726	300,567	419,781	–	1,724,638
Acquisition of a subsidiary	80,700	–	–	–	280	80,980
Additions (Note i)	467,911	304,403	13,343	467,248	–	1,252,905
Disposal	(15,179)	(532,726)	–	(419,781)	–	(967,686)
Changes in fair value	(26,324)	–	(362)	–	–	(26,686)
At end of the year	978,672	304,403	313,548	467,248	280	2,064,151
Total gains/(losses) for assets held at the end of the year – unrealised gains/(losses) recognised in profit or loss						(26,686)

Notes:

- (i) Financial assets at FVTPL included the equity securities traded on the NEEQ with decreased turnover rates with significant unobservable inputs applied in valuing these investments. The equity securities traded on the NEEQ with decreased turnover rates were transferred from Level 2 to Level 3 in the fair value hierarchy.

## 54. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair value measurements of financial instruments (continued)

For the year ended December 31, 2024

Financial instruments in Level 3:

	Financial assets at FVTPL <i>Rmb'000</i>	Derivative financial assets <i>Rmb'000</i>	Financial liabilities at FVTPL <i>Rmb'000</i>	Derivative financial liabilities <i>Rmb'000</i>	Total <i>Rmb'000</i>
At beginning of the year	291,911	1,137,300	20,026	891,514	2,340,751
Additions (Note i)	275,704	160,061	280,000	324,248	1,040,013
Disposal	(37,203)	(832,797)	–	(746,389)	(1,616,389)
Transfer out (Note ii)	(57,860)	–	–	–	(57,860)
Changes in fair value	(988)	68,162	541	(49,592)	18,123
At end of the year	471,564	532,726	300,567	419,781	1,724,638
Total gains/(losses) for assets held at the end of the year – unrealised gains/(losses) recognised in profit or loss					18,123

Notes:

- (i) Financial assets at FVTPL included the equity securities traded on the NEEQ with decreased turnover rates with significant unobservable inputs applied in valuing these investments. The equity securities traded on the NEEQ with decreased turnover rates were transferred from Level 2 to Level 3 in the fair value hierarchy.
- (ii) These included equity securities traded on stock exchanges with lock-up periods. They were transferred from Level 3 to Level 1 when the lock-up periods lapsed and became unrestricted.

	As at 12/31/2025		As at 12/31/2024	
	Carrying amount <i>Rmb'000</i>	Fair value <i>Rmb'000</i>	Carrying amount <i>Rmb'000</i>	Fair value <i>Rmb'000</i>
Convertible Bond 2021	–	–	224,867	224,867

## Notes to the Consolidated Financial Statements

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### 55. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividends payable	Bank and other borrowings	Bonds payable	Convertible bonds	Lease Liabilities	Short-term financing note payable	Total
	<i>Rmb' 000</i>	<i>Rmb' 000</i>	<i>Rmb' 000</i>	<i>Rmb' 000</i>	<i>Rmb' 000</i>	<i>Rmb' 000</i>	<i>Rmb' 000</i>
At January 1, 2025	457,656	17,085,100	30,870,554	224,867	394,095	7,085,628	56,117,900
Financing cash flows	(3,940,654)	754,792	6,365,920	–	(202,735)	5,071,760	8,049,083
Operating cash flows	–	(484,568)	(872,955)	–	(2,540)	(168,206)	(1,528,269)
Acquisition of a subsidiary	–	–	3,099,078	–	62,286	1,388,475	4,549,839
New leases	–	–	–	–	406,139	–	406,139
Lease decreased	–	–	–	–	(16,038)	–	(16,038)
Fair value adjustment	–	–	–	10,022	–	–	10,022
Exchange realignment	–	–	(73,612)	16,457	–	–	(57,155)
Accrued dividend	4,180,116	–	–	–	–	–	4,180,116
Conversion into shares	–	–	–	(257,208)	–	–	(257,208)
Interest expenses	–	481,681	829,571	5,862	22,242	207,550	1,546,906
At December 31, 2025	697,118	17,837,005	40,218,556	–	663,449	13,585,207	73,001,335

## 55. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Dividends payable <i>Rmb'000</i>	Bank and other borrowings <i>Rmb'000</i>	Bonds payable <i>Rmb'000</i>	Convertible bonds <i>Rmb'000</i>	Lease Liabilities <i>Rmb'000</i>	Short-term financing note payable <i>Rmb'000</i>	Total <i>Rmb'000</i>
At January 1, 2024	168,573	17,806,943	29,014,251	8,441,932	475,430	2,137,611	58,044,740
Financing cash flows	(2,613,633)	(718,335)	3,500,000	(1,600,571)	(160,536)	4,937,120	3,344,045
Operating cash flows	–	(612,334)	(858,225)	(19,562)	(5,862)	(30,431)	(1,526,414)
Non-cash changes							
New leases	–	–	–	–	74,186	–	74,186
Lease decreased	–	–	–	–	(10,781)	–	(10,781)
Fair value adjustment	–	–	–	–	–	–	–
Exchange realignment	–	–	–	–	–	–	–
Accrued dividend	2,902,716	–	–	–	–	–	2,902,716
REITs measurement from bonds payable to non-controlling interests	–	–	(1,651,962)	–	–	–	(1,651,962)
Interest expenses	–	608,826	866,490	203,349	21,658	41,328	1,741,651
Conversion into shares	–	–	–	(6,800,281)	–	–	(6,800,281)
At December 31, 2024	457,656	17,085,100	30,870,554	224,867	394,095	7,085,628	56,117,900

## Notes to the Consolidated Financial Statements

December 31, 2025

### 56. OPERATING LEASES

#### The Group as lessor

The Group leased their service areas and communication ducts and part of spare office premises under operating lease arrangements. Leases are negotiated for terms ranging from 1 to 25 years and rentals are fixed annually.

At the end of the reporting period, the Group had contracts with tenants for the following future minimum lease payments:

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Within one year	52,042	55,788
In the second to fifth years, inclusive	128,303	146,925
After five years	13,447	34,955
	<b>193,792</b>	237,668

For certain of the Group's service areas, the rental income is variable and being calculated at the higher of a pre-agreed percentage of revenue of the relevant service areas made by the lessees or the minimum lease payments. The commitment above represented the minimum lease payments from lessees only and did not include any contingent rent elements.

### 57. CONTINGENT LIABILITIES AND LITIGATION

#### 57.1 Contingent liability arising from financial guarantee given to bank

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Guarantees given to a bank, in respect of a joint venture	185,262	202,302



## **57. CONTINGENT LIABILITIES AND LITIGATION (CONTINUED)**

### **57.1 Contingent liability arising from financial guarantee given to bank (continued)**

The Group provided a financial guarantee to Shengxin Co, a 50% owned joint venture of the Group, in favour of a bank for 50% of its outstanding long-term bank borrowings and interest, and accrued off-balance sheet provision in light of the financial guarantee. As at December 31, 2025, the bank borrowings of Shengxin Co and accrued interest amounted to Rmb370,523,000 (2024: Rmb404,603,000). The Directors consider that the fair value of the guarantee was insignificant at initial recognition and default by the guaranteed party was not probable, therefore the provision under ECL model for the financial guarantee contract was not material as at December 31, 2025 and 2024. The financial guarantee would be terminated in advance on February 2, 2026.

### **57.2 Material pending Litigations**

Guodu Securities has several material pending litigations, Guodu Securities has recognized provision of Rmb 5,039,000 for the claims arising from these litigations as of December 31, 2025.

Case 1: Minmetals International Trust Co., Ltd. commenced legal action against Fujian Fusheng Group Co., Ltd (“Fusheng Group”) as the issuer for the “20 Fusheng 01” corporate bond, alleging securities false statement. The plaintiff is seeking jointly and severally liable damages of RMB475,340,000 from Fusheng Group and Guodu Securities, as one of the defendants. This case was heard in November 2025 and remains under adjudication.

Case 2: Beijing Fusheng Investment Management Co., Ltd. (“Beijing Fusheng”), representing its managed products, commenced legal action against Chenglong Construction Group Co., Ltd as the issuer for “19 Chenglong 01” corporate bond, alleging securities false statement. The plaintiff is seeking jointly and severally liable damages of RMB51,254,000 from Beijing Fusheng and Guodu Securities, as one of the defendants.

# Notes to the Consolidated Financial Statements

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## 57. CONTINGENT LIABILITIES AND LITIGATION (CONTINUED)

### 57.2 Material pending Litigations (continued)

Case 3: In November 2025, Guodu Securities received a civil complaint served by the Changchun Intermediate People's Court. The plaintiff, Jilin Dehui Rural Commercial Bank Co., Ltd., alleged that Guodu Securities, in its capacity as manager of the Guodu Securities Bohai No. 9 Targeted Asset Management Plan, together with Chang'an International Trust Co., Ltd. as trustee and Bohai Bank Co., Ltd. Shanghai Branch as custodian, failed to discharge their respective statutory and contractual duties in the administration of client asset management and trust operations, thereby causing financial losses to the plaintiff. The plaintiff accordingly claimed that the defendants be jointly and severally liable for compensation of total losses amounting to Rmb562,031,000, inclusive of principal and accrued interest. Guodu Securities is currently a defendant of the aforementioned lawsuit. This case was heard in November 2025 and remains under adjudication.

## 58. RELATED PARTY TRANSACTIONS AND BALANCES

Other than disclosed elsewhere in the consolidated financial statements, during the year, the Group also entered into the following significant transactions with related parties:

### (i) Transactions and balances with Communications Group and government related parties

Details of significant transactions with Communications Group are summarised below:

#### Borrowings

Pursuant to the entrusted loan contracts entered into between the Company and Zhejiang Communications Investment Logistics Group Co., Ltd. ("Logistic Co"), a wholly-owned subsidiary of the Communications Group, on July 21, 2023. Logistic Co agreed to provide the Company with entrusted loans amounting to Rmb50,810,229 at a fixed interest rate of 3.00% per annum, with a maturity date on July 20, 2024. A principal amount of Rmb50,810,229 was repaid on July 20, 2024.

## 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (i) Transactions and balances with Communications Group and government related parties (continued)

#### Borrowings (continued)

Pursuant to the entrusted loan contracts entered into between Quzhou Branch of LongLiLiLong Expressway Co. and Communications Group on March 7, 2023, Communications Group agreed to provide the Company with entrusted loans amounting to Rmb2,330,000,000 with a maturity date on March 7, 2024 and at a fixed interest rate of 3.65% per annum. A principal amount of Rmb30,000,000 was repaid on January 19, 2024. A principal amount of Rmb2,300,000,000 was repaid on March 7, 2024.

Pursuant to the entrusted loan contracts on March 7, 2024, Communications Group agreed to provide the Company with entrusted loans amounting to Rmb2,300,000,000 with a maturity date on March 7, 2025 and at a fixed interest rate of 3.45% per annum. A principal amount of Rmb1,500,000,000 was repaid on May 27, 2024. A principal amount of Rmb800,000,000 was repaid on June 28, 2024.

	For the year ended 12/31/2025 Rmb'000	For the year ended 12/31/2024 Rmb'000
Interest expenses incurred	—	36,180

#### Management fee and purchase administrative services

The Company has entered into agreements with the Communications Group and its subsidiaries, pursuant to which the Company would provide the management and administrative services for ten toll roads, including Shensuzhewan Expressway, South Line of Qianjiang Channel, Ningbo Yongtaiwen Expressway, Hangning Expressway, Hangrao Expressway, North Line of Qianjiang Channel, Linjian Expressway, Zhoudai Bridge and Fuchimen Bridge of Ningbo Zhoushan Port Main Passage, North Connection of Qianjiang Channel, Hangshaoyong Expressway and Hangyong Parallel Expressway Phase I. According to the agreements, the Company would charge Communications Group and its subsidiaries management fee on an actual cost basis. During this year, a total management fee of Rmb25,750,439 (2024: Rmb25,052,422) was charged.

## Notes to the Consolidated Financial Statements

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### 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (i) Transactions and balances with Communications Group and government related parties (continued)

##### Other transactions

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Toll road service area leasing income earned (Note a)	18,251	11,265
Toll road service area management fee paid (Note a)	12,687	10,980
Property leasing income earned	478	3,691
Road maintenance service expenses incurred	591,866	540,954
Construction cost incurred (Note b)	938,721	524,674
System development and maintenance, expressway mechanical and electrical engineering service expenses incurred (Note c)	523,895	65,955
Toll road related inspection service expense incurred	16,488	13,917
Underwriting and sponsor service income earned	–	8,551
Human resources services fees (Note d)	66,927	–
Comprehensive service, culture, catering and insurance service fees (Note e)	98,610	46,834
Information service revenue (Note f)	35,983	6,173

Notes:

- (a) Pursuant to the leasing and operation agreement entered into between Jinhua Co (as defined in Note 59), Hanghui Co (as defined in Note 59), LongLiLiLong Co (as defined in Note 59), Zhoushan Co (as defined in Note 59) and Zhejiang Commercial Group Co., Ltd. ("Zhejiang Commercial Group", a fellow subsidiary of Communications Group), the toll road service areas were leased to Zhejiang Commercial Group, and Zhejiang Commercial Group managed the operation of the service area in respect of the toll road service area. Such businesses began on January 1, 2011, and will expire at the same time with the operating rights.
- (b) On April 17, 2025, the Company and its subsidiaries entered into framework agreements with Zhejiang Shunchang High-grade Expressway Maintenance Co., Ltd. ("Zhejiang Shunchang"), Zhejiang Expressway Maintenance Co., Ltd. ("Maintenance Co"), and Zhejiang Jiaogong High-grade Expressway Maintenance Co., Ltd. ("Jiaogong Maintenance"), respectively, pursuant to which Zhejiang Shunchang, the Maintenance Co, and Jiaogong Maintenance will provide services relating to expressways, bridges, tunnels, traffic safety engineering, road congestion management, and emergency rescue projects to the Company and its subsidiaries. Zhejiang Shunchang, the Maintenance Co, and Jiaogong Maintenance are each indirect subsidiaries of the Communications Group.

## 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (i) Transactions and balances with Communications Group and government related parties (continued)

#### Other transactions (continued)

Notes: (continued)

On April 17, 2025, the Company and its subsidiaries entered into a framework agreement with Zhejiang Institute of Communications Co., Ltd., (“ZJIC”), pursuant to which ZJIC will provide services relating to engineering consultancy, survey, design, construction, general contracting, and maintenance and repair of expressways and related ancillary facilities to the Company and its subsidiaries.

On August 9, 2024, Jinhua Co (as defined in Note 59), Jindong Branch, and Zhejiang Hongtu entered into a civil works construction contract (the “Civil Works Construction Contract”) for the reconstruction and expansion of the Ningbo-to-Jinhua section of the Yongjin Expressway (Jinhua Section), specifically for the TJ02 section. The Civil Works Construction Contract provides for the construction of civil works and subsequent pavement maintenance. The planned construction period is 39 months, followed by a 120-month pavement maintenance period.

On November 5, 2024, Zhajiasu Co and Zhejiang Jiaogong Jinzhu Communications Construction Co., Ltd. (“Jiaogong Jinzhu”), Zhejiang Jiaogong Underground Construction Co., Ltd. ((collectively as the “Consortium”), as the contractor), enters into a construction agreement (“Construction Agreement”). According to the construction agreement, the Consortium agrees to undertake the renovation and expansion construction of the SG01 section of the Zhajiasu Expressway (Nanhu Interchange to Zhejiang Jiangsu Border).

On September 25, 2025, Yongzhou Phase II (as defined in Note 59) entered into a TJ1 civil construction contract with (i) Zhejiang Communications Construction Group Co., Ltd. for the construction of the TJ1 section of the G92 Hangzhou Bay Ring Expressway from Qijiashan in Ningbo to Jintang in Zhoushan; (ii) Zhejiang Jiaogong Road & Bridge Construction Co., Ltd. has entered into a TJ4 civil construction contract for the construction of the TJ4 section of the G92 Hangzhou Bay Ring Expressway from Qijiashan, Ningbo to Jintang, Zhoushan.

During this year, Zhajiasu Co has paid a project advance payment of Rmb 49,739,953 to Jiaogong Jinzhu for the renovation and expansion project of the SG01 section of the Zhajiasu Expressway (Nanhu Interchange to Zhejiang Jiangsu Boundary); At the same time, Yongzhou Phase II has separately paid a project advance payment of Rmb114,048,638 to Zhejiang Communications Construction Group Co., Ltd. (for the renovation and expansion of the TJ1 section of the G92 Hangzhou Bay Ring Expressway from Qijiashan, Ningbo to Jintang, Zhoushan), and a project advance payment of Rmb28,511,112 to Zhejiang Zhejiang Jiaogong Road & Bridge Construction Co., Ltd. (for the renovation and expansion of the TJ4 section of the road). The above amounts constitute a part of the transaction amount disclosed in this report.

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## 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (i) Transactions and balances with Communications Group and government related parties (continued)

#### Other transactions (continued)

Notes: (continued)

- (c) On April 17, 2025, the Company and its subsidiaries entered into framework agreements with Zhejiang Expressway Information Engineering Technology Co., Ltd. ("Zhejiang Information"), pursuant to which Zhejiang Information will provide services relating to electromechanical engineering (including maintenance and repair), construction, system and software development, information systems integration implementation and operation & maintenance, information technology consulting, and road early warning.
- (d) On December 30, 2024, the Company entered into a Framework Agreement on Outsourcing of Human Resources Services with Zhejiang Communications Investment Sci. & Edu. Group Co., Ltd. ("Sci. & Edu. Group") ("the Human Resources Outsourcing Framework Agreement"). Under the terms of the agreement, Sci. & Edu. Group undertakes to provide outsourcing services for certain positions within the Group.
- (e) The Company has entered into framework agreements with Zhejiang Expressway Trading Management Co., Ltd. and Zhejiang Communications Technology Supply Chain Management Co., Ltd., under which the Company procures administrative supplies, equipment, construction materials, employee welfare items, canteen ingredients, grain and oil products, as well as warehousing and logistics services from Zhejiang Expressway Trading Management Co., Ltd., and industrial materials related to manufacturing from Zhejiang Communications Technology Supply Chain Management Co., Ltd.

The Company has entered into framework agreements with Zhejiang Zheshang Property Service Co., Ltd. and Zhejiang Zheshang Culture Development Co., Ltd., under which these entities provide services including property management, office space leasing, architectural decoration design, conference and exhibition services, advertising, media and news services, corporate planning, photography and videography, cultural and artistic activities, and printing and publishing.

The Company has entered into framework agreements with Zhejiang Yingtong Catering Co., Ltd. and a branch of Zhejiang Zheshang Jinji Enterprise Management Co., Ltd., under which these parties provide catering management, meal provisioning, and related services.

The Company has entered into a framework agreement with Zheshang Property and Casualty Insurance Company Limited and its affiliated subsidiaries, under which they provide various insurance services, including vehicle insurance, accident insurance, liability insurance, health insurance, corporate property insurance, construction project insurance, and supplementary medical insurance.

- (f) During the current fiscal year, Zhejiang Zhijiang Intelligent Communications Technology Co., Ltd. ("Zhijiang Intelligent Communications") provided information services to Zhejiang Information, Zhejiang Communications Investment Group Co., Ltd., Shensuzhewan Branch, Deqing County Hangrao Expressway Co., Ltd., Zhejiang Zhoushan North Channel Co., Ltd. and other companies.

## 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (i) Transactions and balances with Communications Group and government related parties (continued)

#### Other transaction balances

In addition to the transaction balances already disclosed in the report, the other material transaction balances in relation to the transactions disclosed above with related parties are listed below.

	12/31/2025 Rmb'000	12/31/2024 Rmb'000
Other receivables and prepayments	357,065	331,967
Trade payables	592,047	435,361
Other payables	77,938	103,783

#### Sales of asset management schemes and derivative contract business with Communications Group

During the year, Zheshang Securities Asset Management Co., Ltd. (“Asset Management”, an indirect subsidiary of the Company) earned management fee income of Rmb72,413 (2024: Rmb85,757) from Zhejiang Zheshang Financial Holdings Co., Ltd.

#### Other transactions with government related parties

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government (“government-related entities”). In addition, the Group itself is part of a larger group of companies under Communications Group which is controlled by the PRC government. However, due to the business nature, in respect of the Group’s toll road and securities business, the Directors are of the opinion that it is impracticable to ascertain the identity of counterparties and accordingly whether the transactions are with other government-related entities in the PRC.

In addition, the Group has entered into other banking transactions, including deposit placements, borrowings and other general banking facilities, with certain banks and financial institutions which are government-related entities in its ordinary course of business. In view of the nature of those banking transactions, the Directors are of the opinion that separate disclosure would not be meaningful.

## Notes to the Consolidated Financial Statements

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### 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (ii) Transactions and balances with associates and other related parties

##### Financial services provided by Zhejiang Communications Finance

The Group entered into a financial service agreement with Zhejiang Communications Finance. Pursuant to the agreement, Zhejiang Communications Finance agreed to provide the Group with deposit services, loan and financial leasing services, clearing services and other financial services.

##### *Loans advanced from Zhejiang Communications Finance*

During the year, LongLiLiLong Co repaid short-term and long-term loans with an aggregate principal amount of Rmb 697,000,000 to Zhejiang Communications Finance.

During the year, Zhejiang Communications Finance provided LongLiLiLong Co with short-term loans with a principal amount of Rmb30,000,000 and Rmb40,000,000 (2024: Rmb20,000,000 and Rmb50,000,000), at fixed annual rates of 2.50% and 2.70% respectively (2024: 3.08% and 2.95%).

During the year, Zhejiang Communications Finance provided LongLiLiLong Co with long-term loans with a principal amount of Rmb230,000,000 and Rmb290,000,000 (2024: Rmb120,000,000 and Rmb50,000,000), at fixed annual interest rates of 2.70% and 2.50% respectively (2024: 3.08% and 2.95%).

During the year, Deqing County De'an Highway Construction Co., Ltd. ("De'an Co") repaid short-term loans with an aggregate principal amount of Rmb85,000,000 to Zhejiang Communications Finance.

During the year, Zhejiang Communications Finance provided De'an Co with short-term loans with a principal amount of Rmb55,000,000 (2024: Rmb20,000,000 and Rmb55,000,000), at fixed annual rates of 2.77% (2024: 3.45% and 3.10%).

	12/31/2025 <i>Rmb'000</i>	12/31/2024 <i>Rmb'000</i>
Outstanding loan payable balances:		
repayable within one year	85,431	522,694
1 to 5 years	460,000	160,000
	<b>545,431</b>	682,694

## 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (ii) Transactions and balances with associates and other related parties (continued)

#### Financial services provided by Zhejiang Communications Finance (continued)

##### *Loans advanced from Zhejiang Communications Finance (continued)*

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Interest expenses incurred	21,128	30,112

##### *Deposits to Zhejiang Communications Finance*

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
Bank balances and cash		
– Cash and cash equivalents	4,961,961	2,919,410

	Year ended 12/31/2025 <i>Rmb' 000</i>	Year ended 12/31/2024 <i>Rmb' 000</i>
Interest income earned	59,277	48,002

#### Sales of asset management schemes to Zhejiang Communications Finance

During the year, Asset Management sold nil units (2024: 447,696,065 units) equivalent to nil (2024: Rmb500,000,000) of the asset management schemes to Zhejiang Communications Finance. Management fee income of Rmb2,224,413 (2024: Rmb5,927,167) was earned.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (ii) Transactions and balances with associates and other related parties (continued)

##### **Purchases and sales of inventory from/to Zheshang Development Group Co., Ltd. and its subsidiaries (collectively referred to as the “Zheshang Development Group”) and Zhejiang Communications Resources Investment Group Co., Ltd. and its subsidiaries (“Zhejiang Communications Resources”), as well as over-the-counter derivative transactions with Zheshang Development Group**

During the year, Zhejiang Zheqi Industrial Co., Ltd. (“Zhejiang Zheqi”) purchased inventory amounting to Rmb289,401,294 from Zheshang Development Group (2024: Rmb54,284,084) and sold inventory totaling Rmb434,221,036 to Zheshang Development Group and Zhejiang Communications Resources (2024: Rmb155,439,937).

As at December 31, 2025, Zhejiang Zheqi did not receive any deposits (2024: Rmb15,213,234) from Zheshang Development Group for derivative business. Zheshang Futures had the balance of Rmb364,446,787 (2024: Rmb283,728,942) with the Zheshang Development Group in the accounts payable to customers arising from securities business.

During the year, Zhejiang Zheqi carried out derivative contract business with the Zheshang Development Group, and the investment losses were Rmb3,717,051 (2024: losses of Rmb27,063,418) in total.

##### **Zhajiasu Co provides China Merchants Expressway Network & Technology Holdings Co. Ltd. (“China Merchants Expressway”, another shareholder of Zhajiasu Co) with entrusted loan**

Zhajiasu Co and China Merchants highway signed the entrusted loan contract on October 9, 2024. Zhajiasu Co provided China Merchants Expressway with an entrusted loan of Rmb180,000,000 with a fixed interest rate of 2% and a maturity date of April 9, 2025. Zhajiasu Co and China Merchants Expressway renewed the entrusted loan contract on May 8, 2025. Zhajiasu Co provided China Merchants Expressway with an entrusted loan of Rmb180,000,000 at a fixed interest rate of 1.65%, which was recovered on June 29, 2025. The interest income of the above borrowings during the year is Rmb1,304,245 (2024: Rmb3,516,510).

## 58. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (iii) Key management emoluments

The remuneration of the Directors, supervisors and key management personnel during the year was Rmb10,296,000 (2024: Rmb11,214,000) including retirement benefit scheme contribution of Rmb392,000 (2024: Rmb392,000) which is determined based on the performance of the individuals and the market trends.

## 59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 59.1 General information of subsidiaries

Name of subsidiary	Date and place of registration	Registered and paid-in capital/share capital Rmb	Percentage of equity interest attributable to the Company				Principal activities
			Direct		Indirect		
			12/31/2025 %	12/31/2024 %	12/31/2025 %	12/31/2024 %	
Zhejiang Linping Expressway Co., Ltd. ("Liping Co")	Note 1	75,223,000	51	51	-	-	Management of the Linping Section of the Shanghai-Hangzhou Expressway
Shangsan Co	Note 2	6,466,978,483	61.25	73.625	-	-	Management of the Shangsan Expressway
Zhejiang Expressway Vehicle Towing and Rescue Services Co., Ltd. ("Towing Co")	Note 3	8,000,000	100	100	-	-	Provision of vehicle towing, repair and, emergency rescue services
Zheshang Securities	Note 4	4,573,796,639	-	-	*28.4546	*34.2036	Operation of securities business
Zheshang Futures	Note 5	1,371,244,600	-	-	**29.38	**35.3136	Operation of securities business
Zheshang Capital Management	Note 6	186,000,000	-	-	*28.4546	**34.2036	Operation of securities business
Asset Management	Note 7	1,200,000,000	-	-	*28.4546	**34.2036	Provision of asset management service
Zhejiang Zheqi	Note 8	2,200,000,000	-	-	**29.38	**35.3136	Trading of futures

## Notes to the Consolidated Financial Statements

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59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY  
(CONTINUED)

## 59.1 General information of subsidiaries (continued)

Name of subsidiary	Date and place of registration	Registered and paid-in capital/share capital Rmb	Percentage of equity interest attributable to the Company				Principal activities
			Direct		Indirect		
			12/31/2025 %	12/31/2024 %	12/31/2025 %	12/31/2024 %	
Zhejiang Jinhua Yongjin Expressway Co., Ltd. ("Jinhua Co")	Note 9	1,400,000,000	100	100	–	–	Management of the Jinhua Section of the Ningbo-Jinhua Expressway
Zhejiang Hanghui Expressway Co., Ltd. ("Hanghui Co")	Note 10	1,001,853,000	–	–	51	51	Management of the Zhejiang Section of the Hangzhou-Ruili Expressway
Zheshang International Financial Holding Co., Limited	Note 11	HKD 800,000,000	–	–	**29.38	**35.3136	Trading of futures
Huangshan Yangtze Huihang Expressway Co., Ltd. ("Huihang Co")	Note 12	580,000,000	100	100	–	–	Management of the Anhui Section of the Hangzhou- Ruili Expressway
De'an Co	Note 13	320,000,000	80.1	80.1	–	–	Construction and management
Zhejiang Zhoushan Bay Bridge Co., Ltd. ("Zhoushan Co")	Note 14	4,114,690,000	51	51	–	–	Management of the Zhoushan Bay Bridge
Zhejiang Grand Hotel	Note 15	306,662,167	100	100	–	–	Operation of a hotel
Zheshang Securities Investment Co., Ltd. ***	Note 16	664,000,000	–	–	**28.4546	**34.2036	Provision of investment management and advisory services and private equity investments
Zhejiang LongLiLiLong Expressway Co., Ltd. ("LongLiLiLong Co")	Note 17	8,519,856,565	100	100	–	–	Management of the LongLi Expressway and LiLong Expressway

## 59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

### 59.1 General information of subsidiaries (continued)

Name of subsidiary	Date and place of registration	Registered and paid-in capital/share capital Rmb	Percentage of equity interest attributable to the Company				Principal activities
			Direct		Indirect		
			12/31/2025 %	12/31/2024 %	12/31/2025 %	12/31/2024 %	
Zhajiasu Co	Note 18	300,000,000	55	55	-	-	Management of the Zhajiasu Expressway
Zheshang International Asset Management Ltd. ("Zheshang International Asset Management")	Note 19	HKD10,000,000	-	-	**29.38	**35.3136	Provision of asset management services
Zhijiang Intelligent Communications	Note 20	70,000,000	100	98	-	-	Provision of technology services
Zhejiang Yongzhou Parallel Line Phase II Expressway Co., Ltd., ("Yongzhou Phase II")	Note 21	500,000,000	51	-	-	-	Management of the Ningbo-Zhoushan Expressway Parallel Line
Guodu Securities Co., Ltd.	Note 22	5,830,000,000	-	-	**9.8934	-	Operation of securities business
Guodu Futures Co., Ltd	Note 23	200,000,000	-	-	**6.1646	-	Trading of futures
China Guodu (Hong Kong) Financial Holdings Limited	Note 24	HKD300,000,000	-	-	**9.8934	-	Holding and Investment

## Notes to the Consolidated Financial Statements

December 31, 2025

59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY  
(CONTINUED)

## 59.1 General information of subsidiaries (continued)

Name of subsidiary	Date and place of registration	Registered and paid-in capital/share capital Rmb	Percentage of equity interest attributable to the Company				Principal activities
			Direct		Indirect		
			12/31/2025 %	12/31/2024 %	12/31/2025 %	12/31/2024 %	
Guodu Securities (Hon Kong) Limited	Note 25	HKD115,000,000	-	-	**5.0457	-	Operation of securities business
Guodu Futures (Hong Kong) Limited	Note 26	HKD11,000,000	-	-	**5.0457	-	Operation of securities business
Guodu Kuaiyi Technology (Shenzhen) Co., Ltd.	Note 27	500,000	-	-	**5.0457	-	Information transmission, software, and information technology services
CCTIC International Limited	Note 28	HKD168,148,290	-	-	**5.0457	-	Provision of investment management and advisory services
Guodu Jingrui Investment Co., Ltd.	Note 29	300,000,000	-	-	**9.8934	-	Alternative Investment
Guodu Venture Capital Co., Ltd.	Note 30	100,000,000	-	-	**9.8934	-	Private equity fund
Guodu Chuanghe Private Equity Investment Fund (Suzhou) Co., Ltd.	Note 31	10,200,000	-	-	**5.0457	-	Private equity fund

## 59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

### 59.1 General information of subsidiaries (continued)

\* This company is a subsidiary of Shangsans Co, a non-wholly owned subsidiary of the Company, and accordingly, is accounted for as a subsidiary by virtue of the Group's control over it. On June 26, 2017, Zheshang Securities completed the spin-off and offering on the Shanghai Stock Exchange, resulting in the dilution of the equity interest attributed to the Company. On March 12, 2019, Zheshang Securities issued a convertible bond and the conversion of shares during the year ended December 31, 2020, resulting in the dilution of the equity interest attributed to the Company. On May 21, 2021, Zheshang Securities issued non-public A shares which resulted in the dilution of the equity interest attributed to the Company. On June 14, 2022, Zheshang Securities issued convertible bonds, the conversion of shares resulting in the dilution of the equity interest attributed to the Company during the years ended December 31, 2023 and 2024. During the year ended December 31, 2025, the voting right of the Company in Shangsans Co decreased due to capital contribution from noncontrolling shareholders as disclosed in note 2.

\*\* These companies and partnership entities are subsidiaries of Zheshang Securities, a non-wholly owned subsidiary of Shangsans Co, and accordingly, are accounted for as subsidiaries by virtue of the Group's control over them.

\*\*\* The translated English names are for identification only.

Note 1: Linping Co was established on June 7, 1994 in the PRC as a joint stock limited company and was subsequently restructured into a limited liability company under its current name on November 28, 1996. The Company is able to control over Linping Co because it has the power to appoint five out of nine directors of that company and under the provisions stated in the Articles of Association of that company, the passing of ordinary resolutions at the board meetings required one-half of the directors attending the meetings. Zhejiang Yuhang Expressway Co., Ltd. renamed Zhejiang Linping Expressway Co., Ltd. in 2021.

Note 2: Shangsans Co was established on January 1, 1998 in the PRC as a limited liability company. On November 29, 2022, the Group, Shangsans Co, the Existing Shareholders and Communications Group entered into a Capital Increase Agreement to increase the registered capital of Shangsans Co, and as per the revised Articles of Association on the same date, the voting right of the Group in Shangsans Co was 73.625%. As at December 31, 2025, the voting right of the Group in Shangsans Co decreased to 61.25% due to capital contribution made from non-controlling shareholders.

Note 3: Towing Co was established on July 31, 2003 in the PRC as a limited liability company.

Note 4: Zheshang Securities was established on May 9, 2002 in the PRC as a limited liability company. On March 12, 2019, Zheshang Securities issued a convertible bond and the Group's equity interest was diluted resulting from the conversion of shares by outside shareholders. On May 21, 2021, Zheshang Securities issued non-public A shares which resulted in the dilution of the equity interest attributed to the Company. On June 14, 2022, Zheshang Securities issued a convertible bond and the Group's equity interest of Zheshang Securities was diluted resulting from the conversion of shares by outside shareholders.

# Notes to the Consolidated Financial Statements

December 31, 2025

## 59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

### 59.1 General information of subsidiaries (continued)

- Note 5: Zheshang Futures was established on September 7, 1995 in the PRC as a limited liability company. In 2024, the Group's percentage of entity interest in Zhejiang Futures slightly decreased from 39.7871% to 35.3136% due to the share conversion of Convertible Bonds 2022 issued by Zheshang Securities.
- Note 6: Zheshang Capital Management was established on February 9, 2012 in the PRC as a limited liability company.
- Note 7: Asset Management was established on July 22, 2013 in the PRC as a limited liability company.
- Note 8: Zhejiang Zheqi was established on April 9, 2013 in the PRC as a limited liability company, and its paid-in share capital was increased by Rmb100,000,000 to Rmb200,000,000 during the year ended December 31, 2014.
- Note 9: Jinhua Co was established in February 2002 in the PRC as a limited liability company. Jinhua Co became a wholly owned subsidiary directly held by the Company during the year ended December 31, 2013.
- Note 10: Hanghui Co was established in December 2008 in the PRC as a limited liability company. During the year ended December 31, 2015, the Company acquired the 80.614% equity interests in Hanghui Co from Communications Group, and Hanghui Co then became a subsidiary directly held by the Company as at December 31, 2015. In December 2015, the equity interest held by the Group increased to 88.674% as the Company had made a capital contribution to Hanghui Co. In June 2021, the Hanghui Expressway public REITs was successfully listed on the Shanghai Stock Exchange. The Company held 51% shareholder's interest indirectly after the restructuring. During the restructuring in light of the issuance of REITs, the Group's equity share decreased from 88.674% to 51% and thus did not lose control over Hanghui Co. The equity transaction as a result of the restructuring was accounted for under special reserves.
- Note 11: Zheshang International Financial Holding Co., Limited (previously known as Zheshang Futures (Hong Kong) Co., Limited) was established on April 23, 2015 in Hong Kong as a limited liability company.
- Note 12: Huihang Co was established in September 2000 in the PRC as a limited liability company. During the year ended December 31, 2016, the Company acquired the 100% equity interests in Huihang Co from an independent third party, and Huihang Co then became a subsidiary directly held by the Company as at December 31, 2016.
- Note 13: De'an Co was established on April 12, 2018 in the PRC as a limited liability company. The registered capital of De'an Co increased from Rmb100,000,000 to Rmb320,000,000 during the year ended December 31, 2020, of which Rmb17,421,750 was contributed by the Company, Rmb4,328,250 was contributed by Zhejiang Hongtu and the rest were converted from capital reserve.

## 59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

### 59.1 General information of subsidiaries (continued)

- Note 14: Zhoushan Co was established on as a limited liability company. In July 2018, Shenjiahuhang Expressway entered into an equity purchase agreement with Zhejiang Communications Investment Group Co., Ltd. to acquire 51% equity interests in Zhoushan Co. During the year, as part of the reorganisation for the purpose of the proposed issuance of Asset-Backed Securities (“ABS”), Shenjiahuhang Co transferred its 51% of equity interests in Zhoushan Co to the Company at the audited net asset value of Zhoushan Co as at June 30, 2022 pursuant to an equity transfer agreement dated 19 September 2022, upon which Zhoushan Co became the immediate subsidiary of the Company.
- Note 15: Zhejiang Grand Hotel was established on January 6, 1998 in the PRC as a limited liability company and was acquired from Communications Group. On June 5, 2019, the Company entered into an equity transfer agreement with a wholly-owned subsidiary of Communications Group to acquire a 100% equity interest in Zhejiang Grand Hotel at a cash consideration of Rmb1,010,144,600.
- Note 16: Zheshang Securities Investment Co., Ltd. was established on November 26, 2019 in the PRC as a limited liability company, and its paid-in share capital was increased by Rmb63,000,000 to Rmb664,000,000 during the year ended December 31, 2025.
- Note 17: LongLiLiLong Co is a limited liability company established in the PRC on April 8, 2005, and was acquired from Communications Group.
- Note 18: Zhajiasu Co is a limited liability company established in the PRC on January 25, 2001, and was acquired on May 7, 2021 from two natural person shareholders.
- Note 19: Zheshang International Asset Management is a limited liability company established in Hong Kong on November 15, 2021.
- Note 20: Zhijiang Intelligent Communications is a limited liability company established in the PRC on April 27, 2023.
- Note 21: Yongzhou Phase II was established on March 18, 2025 as a limited liability company in PRC.
- Note 22: Guodu Securities Co., Ltd. was established on December 28, 2001 in the PRC as a limited liability company. During the year ended December 31, 2025, the Group obtained control of Guodu Securities and the business combination of Guodu Securities is disclosed in note 50.
- Note 23: Guodu Futures Co., Ltd was established on September 24, 1992 in the PRC as a limited liability company.
- Note 24: China Guodu (Hong Kong) Financial Holdings Limited was established on November 12, 2007 in Hong Kong as a limited liability company.

## Notes to the Consolidated Financial Statements

December 31, 2025

### 59. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

#### 59.1 General information of subsidiaries (continued)

Note 25: Guodu Securities (Hon Kong) Limited was established on November 4, 2008 in Hong Kong as a limited liability company.

Note 26: Guodu Futures (Hong Kong) Limited was established on May 12, 2009 in Hong Kong as a limited liability company.

Note 27: Guodu Kuaiyi Technology (Shenzhen) Co., Ltd. was established on November 12, 2014 in the PRC as a limited liability company.

Note 28: CCTIC International Limited was established on January 2, 2009 in Hong Kong as a limited liability company.

Note 29: Guodu Jingrui Investment Co., Ltd. was established on October 31, 2012 in the PRC as a limited liability company.

Note 30: Guodu Venture Capital Co., Ltd. was established on April 26, 2016 in the PRC as a limited liability company.

Note 31: Guodu Chuanghe Private Equity Investment Fund (Suzhou) Co., Ltd. was established on October 30, 2017 in the PRC as a limited liability company.

Except that Zheshang International Financial Holding Co., Limited, Zheshang International Asset Management Ltd., Guodu (Hong Kong) Financial Holdings Limited, Guodu Securities (Hon Kong) Limited, Guodu Futures (Hong Kong) Limited and CCTIC International Limited operate in Hong Kong, all of the Company's other subsidiaries operate in Chinese mainland.

#### 59.2 Change in ownership interest in a subsidiary

During the year ended December 31, 2025, Shangsang Co received capital contribution from Communications Group, China Merchants Expressway, Tiantai State Capital and Shangyu Transportation, resulting in the dilution of the equity interest in Shangsang Co attributed to the Company decreased from 73.625% to 61.25%, and the Group's percentage of equity interests in its subsidiaries decreased accordingly.



## 60. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Regarding securities operation segment as defined in Note 7, the Group held interests in structured entities including collective asset management schemes, investment funds and limited partnership. The Group acted as fund manager for some structured entities and had power over them during the years ended December 31, 2025 and 2024. Except for the structured entities the Group has consolidated as disclosed in Note 45, in the opinion of the Directors, the variable returns the Group exposed to over these collective asset management schemes, investment funds and limited partnership in which the Group has interests or acted as fund manager are not significant. The Group therefore did not consolidate these structured entities.

The total assets of unconsolidated funds and asset management schemes managed by securities operation segment amounted to Rmb110,407,408,000 and Rmb106,670,370,000 as at December 31, 2025 and 2024, respectively. The related management fee income for the year ended December 31, 2025 amounted to Rmb343,536,000 (December 31, 2024: Rmb393,900,000).

The related management fee income and net investment gains for the year ended December 31, 2025 are disclosed in Note 6 and Note 8.

Except for the abovementioned structured entities, the Group also invested in certain ABS Program classified as interests in associates which it doesn't act as the fund manager. With regard to the ABS Program, in case that the net cash flow generated from the underlying assets was not sufficient to cover the necessary expenditures of the ABS Program as agreed and senior class holder's share that they're entitled, the Group was committed to compensating the insufficient part. During the year ended December 31, 2025, the ABS Program's cashflow was sufficient to cover necessary expenditures and senior class holder's share.

Besides, the fund manager accepts open-ended withdrawal and subscription of senior class securities within the withdrawal registering period at the end of each of the three years from issuance of ABS, and the Group will purchase any senior class securities which have not completed open-ended withdrawal if the holders intend to within the withdrawal registration period.

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December 31, 2025

## 61. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,056,564	1,025,920
Right-of-use assets	101,117	98,201
Expressway operating rights	434,939	770,257
Other intangible assets	65,315	63,076
Interests in subsidiaries	13,588,349	11,988,197
Interests in associates	8,522,073	8,486,668
Interests in joint ventures	2,813,270	2,081,670
Other receivables and prepayments	–	490
Time deposits	2,940,000	7,266,419
	<b>29,521,627</b>	<b>31,780,898</b>
<b>CURRENT ASSETS</b>		
Trade receivables	437,426	329,863
Other receivables and prepayments	131,206	133,283
Dividends receivable	2,366,109	2,366,109
Amounts due from subsidiaries	1,200,160	1,280,171
Bank balances and cash		
– Time deposits with original maturity over three months	8,500,082	2,364,624
– Cash and cash equivalents	3,704,119	7,047,934
	<b>16,339,102</b>	<b>13,521,984</b>

## 61. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

	12/31/2025 <i>Rmb' 000</i>	12/31/2024 <i>Rmb' 000</i>
<b>CURRENT LIABILITIES</b>		
Trade payables	164,004	173,906
Tax liabilities	143,618	145,274
Other taxes payable	29,987	29,479
Other payables and accruals	327,234	123,418
Amounts due to subsidiaries	11,632,187	10,778,613
Bonds payable	3,320,807	3,072,297
Bank and other borrowings	1,213	220,134
Convertible bond	—	224,867
	<b>15,619,050</b>	14,767,988
<b>NET CURRENT LIABILITIES</b>	<b>720,052</b>	(1,246,004)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>30,241,679</b>	30,534,894
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable	—	3,376,048
Bank and other borrowings	1,600,000	—
Deferred tax liabilities	67,830	92,227
	<b>1,667,830</b>	3,468,275
	<b>28,573,849</b>	27,066,619
<b>CAPITAL AND RESERVES</b>		
Share capital	6,038,115	5,993,801
Reserves	22,535,734	21,072,818
	<b>28,573,849</b>	27,066,619

## Notes to the Consolidated Financial Statements

December 31, 2025

61. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY  
(CONTINUED)

Movements of share capital and reserves of the Company are set out below.

	Share	Share	Statutory	Investment	Dividend	Special	Retained	Total
	capital	premium	reserves	revaluation	reserve	reserves	profits	
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
At January 1, 2024	5,993,498	8,094,217	2,663,842	18,711	1,917,919	71,382	7,319,289	26,078,858
Profit for the year	-	-	-	-	-	-	2,904,044	2,904,044
Total comprehensive income for the year	-	-	-	-	-	-	2,904,044	2,904,044
Conversion of Convertible								
Bond 2021	303	1,333	-	-	-	-	-	1,636
2023 dividend	-	-	-	-	(1,917,919)	-	-	(1,917,919)
Proposed dividend	-	-	-	-	2,307,613	-	(2,307,613)	-
Transfer to reserves	-	-	323,434	-	-	-	(323,434)	-
At December 31, 2024	5,993,801	8,095,550	2,987,276	18,711	2,307,613	71,382	7,592,286	27,066,619
Profit for the year	-	-	-	-	-	-	3,557,634	3,557,634
Total comprehensive income for the year	-	-	-	-	-	-	3,557,634	3,557,634
Conversion of Convertible								
Bond 2021	44,314	212,895	-	-	-	-	-	257,209
2024 dividend	-	-	-	-	(2,307,613)	-	-	(2,307,613)
Proposed dividend	-	-	-	-	2,385,055	-	(2,385,055)	-
Transfer to reserves	-	-	389,644	-	-	-	(389,644)	-
At December 31, 2025	<b>6,038,115</b>	<b>8,308,445</b>	<b>3,376,920</b>	<b>18,711</b>	<b>2,385,055</b>	<b>71,382</b>	<b>8,375,221</b>	<b>28,573,849</b>

# Corporate Information

## CHAIRMAN

YUAN Yingjie

## EMPLOYEE DIRECTOR

LIU Yiying *(Appointed on March 20, 2026)*

## EXECUTIVE DIRECTORS

LI Wei

WU Wei *(Resigned on February 6, 2026)*

## NON-EXECUTIVE DIRECTORS

ZHAO Xilong *(Appointed on December 19, 2025)*

FAN Ye

HUANG Jianzhang

YANG Xudong *(Resigned on December 19, 2025)*

## INDEPENDENT NON-EXECUTIVE DIRECTORS

PEI Ker-Wei

LEE Wai Tsang, Rosa

YU Mingyuan

## COMPANY SECRETARY

Tony ZHENG

## AUTHORIZED REPRESENTATIVES

YUAN Yingjie

LI Wei *(Appointed on February 10, 2026)*

WU Wei *(Resigned on February 6, 2026)*

## STATUTORY ADDRESS AND PRINCIPAL PLACE OF BUSINESS

Room 501, No. 2, Mingzhu International Business Center

199 Wuxing Road, Shangcheng District Hangzhou City

Zhejiang Province

PRC 310020

Tel: 86-571-8798 5588

Fax: 86-571-8798 5599

## LEGAL ADVISERS

### ***As to Hong Kong law:***

Ashurst Hong Kong

43/F, Jardine House

1 Connaught Place

Central, Hong Kong

### ***As to PRC law:***

T & C Law Firm

11/F, Block A, Dragon

Century Plaza

1 Hangda Road

Hangzhou City, Zhejiang Province

PRC 310007

## Corporate Information

### AUDITORS

Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

### INVESTOR RELATIONS CONSULTANT

Wonderful Sky Financial Group Holdings  
Limited  
9/F, The Center,  
99 Queen's Road Central, Hong Kong  
Tel: 852-3977 1892  
Fax: 852-2815 1352

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China,  
Jiefang Road Branch  
Shanghai Pudong Development Bank,  
Hangzhou Branch

### H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited  
Room 1712-1716, 17/F, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### H SHARES LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Code: 0576

### REPRESENTATIVE OFFICE IN HONG KONG

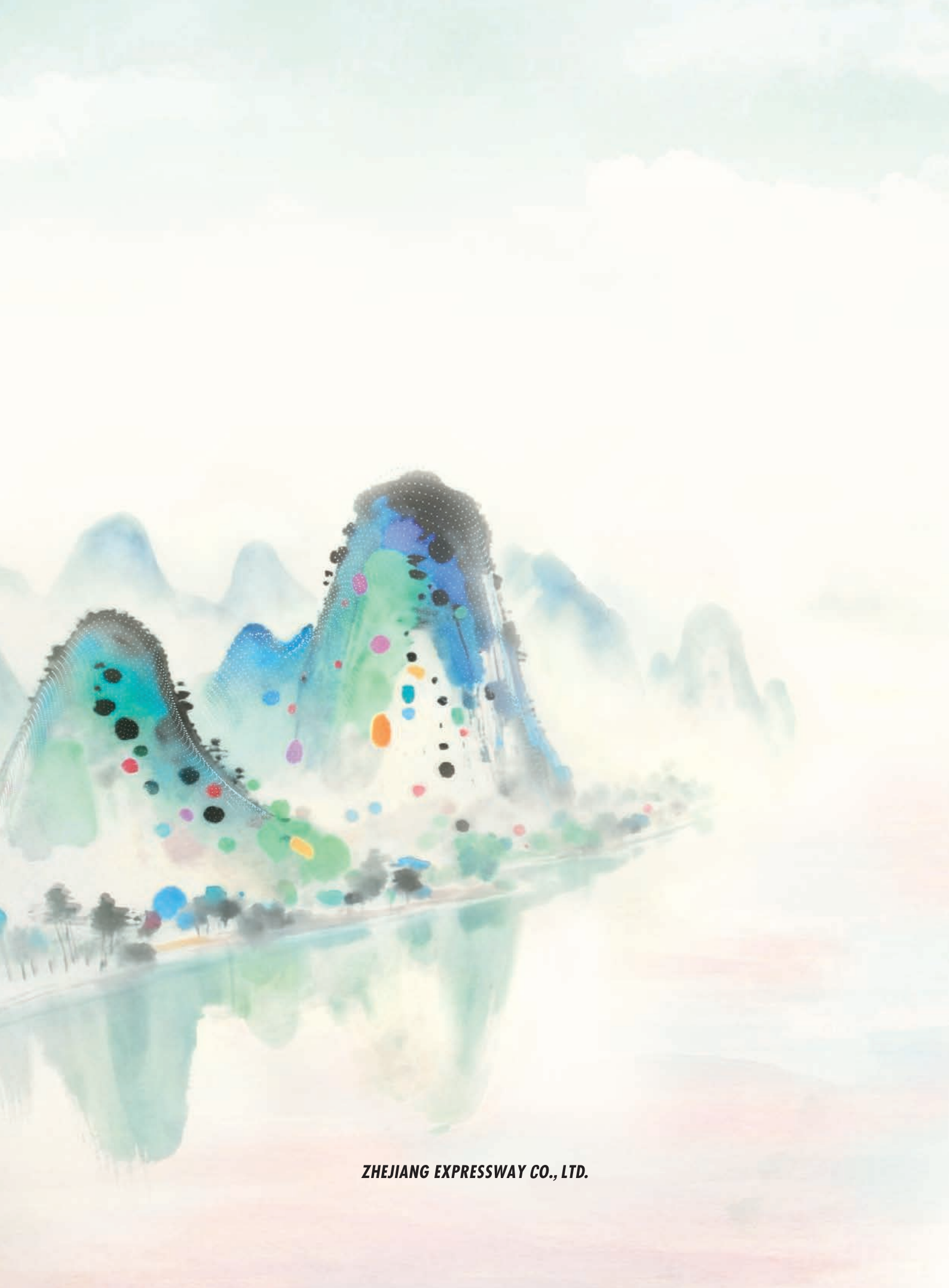
Room 1710A  
Office Tower  
Convention Plaza  
1 Harbour Road  
Wan Chai, Hong Kong  
Tel: 852-2537 4295  
Fax: 852-2537 4293

### WEBSITE

[www.zjec.com.cn](http://www.zjec.com.cn)

# Location Map of Expressways in Zhejiang Province





**ZHEJIANG EXPRESSWAY CO., LTD.**