

SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)
Stock Codes: 737 (HKD counter) & 80737 (RMB counter)



2025 ANNUAL REPORT

About Us

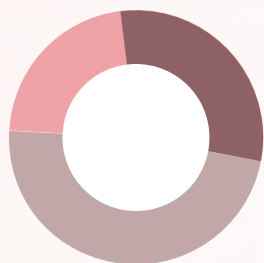
Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”, formerly known as Hopewell Highway Infrastructure Limited) was incorporated in the Cayman Islands with limited liability and listed on The Stock Exchange of Hong Kong Limited since 6 August 2003 with stock codes 737 (HKD counter) and 80737 (RMB counter). The Company is principally engaged in expressway business and adopts development strategies focusing on the infrastructure and correlated business as well as land development and utilisation along the GS Superhighway within the Guangdong-Hong Kong-Macao Greater Bay Area. Shenzhen Expressway Corporation Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 548) and Shanghai Stock Exchange (Stock code: 600548), became the controlling shareholder of the Company on 11 January 2022.

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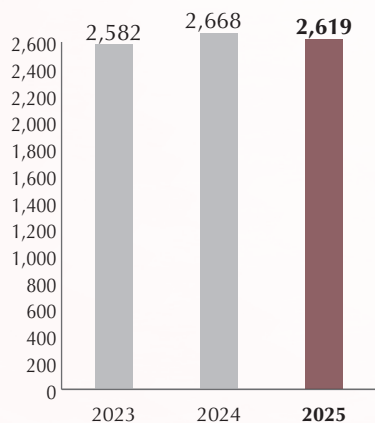
Financial Highlights

The Group's Share of Net Toll Revenue by Expressway for 2025

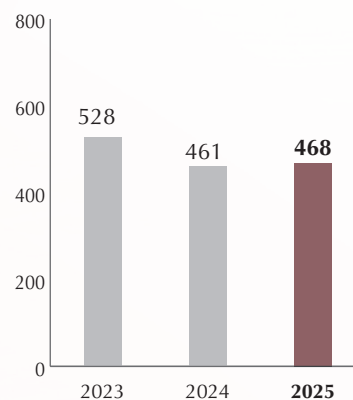


- 48% GS Superhighway
- 22% GZ West Superhighway
- 30% Coastal Expressway (Shenzhen Section)

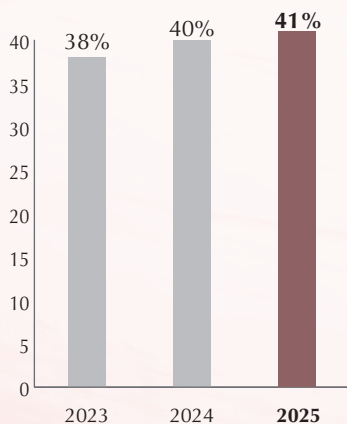
The Group's Share of Net Toll Revenue (RMB million)



Profit Attributable to Owners of the Company (RMB million)

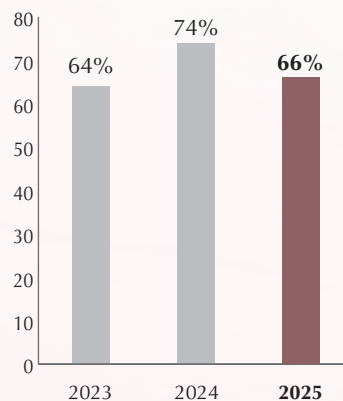


Debt to Asset Ratio (Total Liabilities/Total Assets)



Gearing Ratio (Net Debt/Equity Attributable to Equity Shareholders of the Company)

(Net Debt/Equity Attributable to Equity Shareholders of the Company)



Financial Highlights

Notes:

- (1) On 18 August 2022, the Company entered into a subscription agreement with Shenzhen Expressway, an intermediate holding company of the Company, pursuant to which Shenwan Infrastructure has conditionally agreed to inject RMB2,998 million to the Coastal Company to obtain 51% of the enlarged equity interest in the Coastal Company, and the remaining 49% continue to be held by Shenzhen Expressway upon completion. The Subscription was completed on 30 November 2022. The Coastal Company becomes an indirect non-wholly owned subsidiary of the Company.

The Subscription is accounted for as a business combination under common control as the Group and the Coastal Company are both controlled by SIHC before and after the Subscription and that control is not transitory. The results of the Group for the year ended 31 December 2022 was prepared as if the current group structure upon completion of the Subscription had been in existence throughout the year ended 31 December in 2022. The results for the year ended 31 December 2022 had been included the 2022 annual results of Coastal Company accordingly.

5-Year Financial Summary

The financial summary of the Group for the year ended 31 December 2021 to the year ended 31 December 2025.

On 18 August 2022, the Company entered into a subscription agreement with Shenzhen Expressway, an intermediate holding company of the Company, pursuant to which Shenwan Infrastructure has conditionally agreed to inject RMB2,998 million to the Coastal Company to obtain 51% of the enlarged equity interest in the Coastal Company, and the remaining 49% continue to be held by Shenzhen Expressway upon completion. The Subscription was completed on 30 November 2022. The Coastal Company becomes an indirect non-wholly owned subsidiary of the Company.

The Subscription is accounted for as a business combination under common control as the Group and the Coastal Company are both controlled by SIHC before and after the Subscription and that control is not transitory. The results of the Group for the two years ended 31 December 2021 and 2022 were prepared as if the current group structure upon completion of the Subscription had been in existence throughout the two years ended 31 December in 2021 and 2022. The results for the year ended 31 December 2021 had been restated accordingly.

Consolidated Results Prepared (RMB million)

	2021 (Restated)	2022	2023	2024	2025
Share of results of joint ventures	656	354	691	585	557
Corporate results	162	(27)	(53)	13	33
Profit for the year	818	327	638	598	590
Attributable to:					
Equity shareholders of the Company	711	279	528	461	468
Non-controlling interests	107	48	110	137	122
Profit for the year	818	327	638	598	590

5-Year Financial Summary

Segment Revenue and Results (RMB million)

	2021 (Restated)	2022	2023	2024	2025
Revenue	2,565	2,050	2,951	2,809	2,668
Coastal Expressway (Shenzhen Section)	591	481	629	736	786
GS Superhighway	1,289	1,016	1,301	1,298	1,268
GZ West Superhighway	666	522	652	634	565
Xintang Interchange	19	31	369	141	49
EBITDA	2,251	1,748	2,455	2,316	2,199
Coastal Expressway (Shenzhen Section)	502	388	530	620	645
GS Superhighway ⁽¹⁾	1,194	941	1,339	1,202	1,134
GZ West Superhighway	560	412	525	510	441
Xintang Interchange	(5)	7	61	(16)	(21)
Depreciation and amortisation	(926)	(808)	(1,032)	(1,015)	(1,038)
Coastal Expressway (Shenzhen Section)	(220)	(181)	(227)	(269)	(330)
GS Superhighway	(469)	(426)	(536)	(465)	(449)
GZ West Superhighway	(237)	(201)	(269)	(280)	(258)
Xintang Interchange	(0)	(0)	(0)	(1)	(1)
Interest and tax	(526)	(445)	(551)	(472)	(407)
Coastal Expressway (Shenzhen Section)	(82)	(118)	(98)	(89)	(83)
GS Superhighway	(259)	(197)	(308)	(271)	(238)
GZ West Superhighway	(160)	(117)	(126)	(112)	(86)
Xintang Interchange	(25)	(13)	(19)	0	0
Segment results ⁽²⁾	799	495	872	829	754
Coastal Expressway (Shenzhen Section)	200	89	205	262	232
GS Superhighway	466	318	495	466	447
GZ West Superhighway	163	94	130	118	97
Xintang Interchange	(30)	(6)	42	(17)	(22)
Segment corporate results ⁽³⁾	(6)	(79)	(212)	(204)	(164)
Net exchange gain/(loss) (net of related income tax)	25	(89)	(22)	(27)	0
Profit for the year	818	327	638	598	590
Attributable to:					
Equity shareholders of the Company	711	279	528	461	468
Non-controlling interests	107	48	110	137	122
Profit for the year	818	327	638	598	590

5-Year Financial Summary

Consolidated Statement of Financial Position Prepared (RMB million)

	As at 31 December				
	2021 (Restated)	2022	2023	2024	2025
Property, plant and equipment	313	290	272	255	249
Right-of-use assets	5	22	13	5	24
Concession intangible assets	5,527	5,675	5,795	5,695	5,391
Interests in joint ventures	4,971	4,519	4,991	5,275	5,668
Equity instrument at fair value through other comprehensive income (“FVOCI”)	20	20	18	21	25
Deferred tax assets	303	211	117	54	24
Trade and other receivables	1,108	322	169	290	158
Amount due from a joint venture	264	210	–	–	–
Structured deposits	351	451	320	–	420
Time deposits	–	–	204	374	463
Restricted bank deposits	13	15	3	62	35
Cash and cash equivalents	1,860	474	484	733	857
Other assets	8	11	27	38	30
Total assets	14,743	12,220	12,413	12,802	13,344
Lease liabilities	5	23	14	5	24
Bank loans and bank overdrafts	1,936	3,957	4,032	4,532	4,828
Deferred tax liabilities	131	133	158	181	194
Trade and other payables	1,101	716	506	422	431
Tax payables	10	5	–	23	16
Other liabilities	2	–	–	–	–
Total liabilities	3,185	4,834	4,710	5,163	5,493
Non-controlling interests	3,197	2,850	2,952	3,089	3,205
Total equity attributable to equity shareholders of the Company	8,361	4,536	4,751	4,550	4,646

5-Year Financial Summary

Consolidated Statement of Cash Flows (RMB million)

	2021 (Restated)	2022	2023	2024	2025
Net cash (used in)/generated from operating activities	(633)	87	468	569	571
Net cash (used in)/generated from investing activities					
— Increase in structured deposits	(1,045)	(1,468)	(1,290)	(350)	(840)
— Increase in time deposits	—	—	(200)	(160)	(180)
— Advance to a joint venture	(354)	—	—	—	—
— Capital injection to a joint venture	—	—	—	—	(5)
— Dividends received (net of PRC withholding tax)	777	603	391	159	289
— Repayment of loan from a joint venture	—	53	210	—	—
— Withdrawal of time deposit	240	—	—	—	100
— Withdrawal of structure deposits	1,495	1,368	1,420	670	420
— Increase in amount due from Shenzhen Expressway	(500)	—	—	—	—
— Payment for purchases of property, plant and equipment · construction in progress and intangible assets	—	(318)	(309)	(275)	(21)
— Others	112	72	12	4	4
Net cash generated from/(used in) financing activities					
— Proceeds from new bank loans	2,466	2,379	1,204	1,908	5,945
— Repayment of bank loans	(1,575)	(542)	(1,176)	(1,481)	(5,574)
— Dividends paid	(879)	(513)	(287)	(608)	(454)
— Increase in amounts due to other related parties	51	30	—	—	—
— Repayment of capital reduction to Shenzhen Expressway	—	(3,050)	(266)	—	—
— Others	(20)	(89)	(171)	(186)	(127)
Net increase/(decrease) in cash and cash equivalents	135	(1,388)	6	250	128
Cash and cash equivalents at the beginning of year	1,723	1,860	474	484	733
Effect of foreign exchanges rates changes	2	2	4	(1)	(4)
Cash and cash equivalents at the end of year	1,860	474	484	733	857
Total cash and cash equivalents	1,860	474	484	733	857

5-Year Financial Summary

Per Share Basis

	2021 (Restated)	2022	2023	2024	2025
Basic earnings per share (RMB cents)	23.09	9.04	17.15	14.96	15.17
Dividend per share (RMB cents)					
— Interim	9.3	5.75	5.55	7.80	7.55
— Special interim	—	—	—	—	—
— Final	10.45	3.25	11.55	7.15	7.60
Net asset value per share (RMB)	2.71	1.47	1.54	1.48	1.51
Regular dividend payout ratio ⁽⁴⁾	100%	100%	100%	100%	100%

Financial Ratios

	As at 31 December				
	2021 (Restated)	2022	2023	2024	2025
Return on equity attributable to equity shareholders of the Company	10%	7%	11%	10%	10%
Debt to asset ratio (Total liabilities/ Total assets)	22%	40%	38%	40%	41%
Gearing ratio (Net debt ⁽⁵⁾ /equity attributable to equity shareholders of the Company)	—	66%	64%	74%	66%

Notes:

- (1) Excluding exchange differences and related income tax.
- (2) The segment results represent (i) the Group's share of results of joint ventures before exchange differences (net of related income tax) and net of withholding tax attributed to the dividend received from and the undistributed earnings of joint ventures; and (ii) Group's results from the operation of Coastal Expressway.
- (3) The segment corporate results represent the corporate results before corporate exchange differences and withholding tax attributed to the dividend received from and the undistributed earnings of joint ventures.
- (4) Excluding special dividend and impact of restatement.
- (5) Net debt is defined as total bank loans less total cash and cash equivalents, restricted bank deposits, structured deposits and time deposits.

Chairman's Statement

In 2025, Chinese Mainland unswervingly implemented new development philosophy and advanced high-quality development. It balanced domestic and international priorities, and implemented more proactive and impactful macroeconomic policies, leading to the steady growth in its key transportation development indicators, which provided favorable guarantees for traffic volume and toll revenue on the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section). As an enterprise based in the Greater Bay Area and engaging in the investment, construction and operation of expressways, the Company benefited from the economic development of the surrounding regions and achieved solid performance in 2025. I would like to take this opportunity to share with our investors the operating results of the Group over the past year.

Financial Results and Dividend Proposal

On behalf of the Board, I am delighted to report to Shareholders the final results of the Group for 2025. The revenue from investment projects attributable to the Group was approximately RMB2,668 million. The profit attributable to equity shareholders of the Company amounted to approximately RMB468 million and basic earnings per share of RMB15.17 cents, representing a YoY increase of 1%, which was mainly caused by the combined impacts of the YoY decrease of the Group's finance costs during the year under review and the changes in the performance of the Group's share of joint ventures.

The Board has proposed a final dividend of RMB7.60 cents per share for year 2025. Together with the interim dividend of RMB7.55 cents per share which had been paid on 7 November 2025, representing a dividend payout ratio amounting to 100% of total dividend to the profit attributable to equity shareholders of the Company. Payment of the final dividend is subject to approval by Shareholders at the 2026 Annual General Meeting.

Chairman's Statement

Operating Environment

2025 marked the completion of Chinese Mainland's "14th Five-Year" Plan. During the year, despite facing pressures, Chinese Mainland's economy progressed steadily with enhanced quality, driven by technological innovation. The development of a modern industrial system advanced continuously, new strides were made in reform and opening-up, significant progress was achieved in mitigating risks in key areas, and livelihood was safeguarded in a robust and effective manner. All major economic and social development targets for the year were successfully accomplished. The GDP of Chinese Mainland grew by 5.0% YoY in 2025, with the total economic output reaching approximately RMB140.2 trillion. Guangdong Province, positioned as the "dual forefront" and strategically located adjacent to the Hong Kong Special Administrative Region and the Macao Special Administrative Region, has exerted growing influence as the international science and technology innovation hub in the Greater Bay Area. The "Shenzhen-Hong Kong-Guangzhou" innovation cluster, which ranked first globally in the Global Innovation Index 2025 (《2025年全球創新指數》), has demonstrated remarkable resilience and leadership in terms of economic growth, industrial structure optimisation and innovation-driven development for a long time. In 2025, the GDP of Guangdong Province grew by 3.9% YoY, with the total economic output reaching approximately RMB14.6 trillion, ranking first in Chinese Mainland, while the high-quality development of the Greater Bay Area achieved notable results, creating a favorable operating environment for the Group's business operation.

Business Review

During the year under review, despite a slight decline in the Group's overall toll revenue due to traffic diversion resulting from changes in the surrounding highway network, the three expressways operated by the Group maintained stable operations overall. The partial traffic diversion effects on the GS Superhighway and the GZ West Superhighway eased in the second half of 2025; while the Coastal Expressway (Shenzhen Section) benefited from the opening of its Phase II and the Shenzhen-Zhongshan Link, as well as the combined effects of the ending of toll adjustment for freight vehicles and the opening of Mawan Tunnel since January 2025, resulting in a relatively substantial growth YoY in traffic volume and toll revenue. Based in the favourable location of the Greater Bay Area and benefiting from the continuous economic development of the surrounding regions, the Group is fully confident about the future development of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section).

Chairman's Statement

Meanwhile, the Group has continued to advance the reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023, and has now entered into the full implementation stage. The reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway has obtained approval from the Guangdong Provincial Development and Reform Commission in June 2025 and pilot section has officially commenced construction at the end of 2025. With the advancement of the reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway, the Group will continue to play its role as a shareholder, providing support for the high-quality, orderly, and timely progress of the expansion and reconstruction work, thereby further strengthening the Group's core competitiveness in the toll road industry.

In addition, the Group had actively participated in investments in land development projects along expressway. The Grand Park City project, the Group's first comprehensive land development project along expressway, achieved satisfactory sales performance in 2025. In 2025, the contract sales amounted to approximately RMB1,434 million, and achieving cumulative contract sales of approximately RMB5,989 million since the beginning of pre-sale so far. At the same time, the Group is also actively exploring quality resources within the Greater Bay Area, seeking market investment opportunities and driving new business breakthroughs. By leveraging external mergers and acquisitions, the Group aims to facilitate the implementation of its strategies, further strengthening the growth of its asset value and revenue.

Chairman's Statement

Prospects

2026 marks the beginning of the Group's "15th Five-Year" Plan. Based on policy direction, market dynamics and its advantages, the Group will further consolidate its main business of toll roads, accelerate the revitalisation of land resources along the expressways, expand the investment opportunities in the Greater Bay Area, and ensure a strong and steady start in the implementation of the "15th Five-Year" Plan.

Meanwhile, the Group will continue to focus on the reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway. The reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway as well as the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway will proceed according to the project schedule requirements.

In respect of land development business, for the Grand Park City Project under development, the Group will carry out the construction, property sales and delivery of each phase of the Grand Park City in an orderly manner in alignment with the changes in policies and based on its annual sales targets and development plans. For other land development projects along the GS Superhighway, such as the Luogang interchange, the Group will maintain close communication with local governments and partners through various channels to realise the value of the land along the expressway.

In terms of business expansion, the Group will continue to seek opportunities for merger and acquisition of other expressway assets in the Greater Bay Area, keep up with industry trends. We will also explore development opportunities in road-based economy and nurturing businesses, leveraging the latest policy orientation to identify and invest in new projects with significant value.

Looking forward, the macro environment in Chinese Mainland is expected to be generally positive, but with the complex and ever-changing international affairs, external challenges shall not be overlooked. The Group will anchor on its strategic goals, and go all out to solidify its standing in the Greater Bay Area to advance on its various tasks. I believe that with the joint efforts of the management and employees, the Group shall continue to achieve high-quality and sustainable development and create better returns for Shareholders.

Chairman's Statement

Appreciation

On behalf of the Company, I would like to take this opportunity to express my sincere gratitude to Shareholders, business partners, financial institutions and friends from all walks of life for their support and trust in the development of the Company. I would also like to thank the Directors and senior management for their wise contribution, and the staff for their unity, cooperation and diligence. In 2026, all staff of the Company will seize the opportunities, continue to contribute to the construction of the Greater Bay Area, and strive to achieve a new level of development of the Company.

Jianming WU*

Chairman

Hong Kong, 18 March 2026

* *For identification purpose only*

Dividend and Closure of Register

Final Dividend

Since listing in 2003, the Company has basically maintained a full-year regular dividend payout ratio of 75%–100% on recurring income. The total regular dividends shall be 100% of the Group's profit attributable to equity shareholders for 2025, taking into account the total number of the Company's issued Shares. The Board has proposed a final dividend of RMB7.60 cents per Share (equivalent to HK8.644392 cents per Share at the exchange rate of RMB1:HK\$1.13742) for the year ended 31 December 2025. Together with the interim dividend of RMB7.55 cents per Share (equivalent to HK8.2917875 cents per Share at the exchange rate of RMB1:HK\$1.09825) which had been paid on Friday, 7 November 2025, the total regular dividends for the year ended 31 December 2025 will amount to RMB15.15 cents per Share (equivalent to HK16.9361795 cents per Share) which is 1% more than the total regular dividends of RMB14.95 cents per Share of last year. The regular dividend payout ratio for the year ended 31 December 2025 maintained at 100%.

Subject to Shareholders' approval at the 2026 Annual General Meeting to be held on Wednesday, 24 June 2026, the proposed final dividend will be paid on Friday, 31 July 2026 to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 30 June 2026.

If the proposed final dividend is approved by the Shareholders at the 2026 Annual General Meeting, it will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB to HKD as published by The People's Bank of China on Wednesday, 18 March 2026 and Shareholders will be given the option of electing to receive the final dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend currency election, Shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 22 July 2026. **If no dividend election is made by a Shareholder, such Shareholder will receive the final dividend in HK Dollars, unless receipt of dividend in RMB has been previously elected.**

Dividend and Closure of Register

Closure of Register

To ascertain Shareholders' eligibility to attend and vote at the 2026 Annual General Meeting to be held on Wednesday, 24 June 2026, the register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the 2026 Annual General Meeting, all transfers of Shares, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2026. Shareholders whose names appear on the register of members of the Company on 18 June 2026 will be entitled to attend and vote at the meeting.

To ascertain Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed on Tuesday, 30 June 2026, if and only if the proposed final dividend is approved by Shareholders at the 2026 Annual General Meeting. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the proposed final dividend, all transfers of Shares, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 29 June 2026.

There is no arrangement of the Company that a Shareholder has waived or agreed to waive any dividend.

Profile of Directors and Senior Management

Mr. Jianming WU*

Aged 45, Mr. WU was appointed as an executive Director and the Executive General Manager and a member of the Executive Committee of the Company on 4 February 2022. He was promoted from the Executive General Manager to the General Manager of the Company on 11 April 2025. He was appointed as the chairman of the Board, chairman of the Executive Committee and a member and the chairman of the Nomination Committee on 12 February 2026. He is also a director and/or chairman of various subsidiaries and joint ventures of the Company, including the chairman of Shenwan Infrastructure, the chairman of Coastal Company, the chairman of GZ West JV, a vice chairman of GSZ Company, a director of Hopewell China Development, a director of Hopewell Guangzhou-Zhuhai Superhighway Development Limited and a director of Shenwan Urban Investment (Shenzhen) Company Limited* (深灣城市投資(深圳)有限公司).

Mr. WU is a senior engineer and graduated from Jilin Jianzhu University* (吉林建築大學) with a bachelor's degree in Transportation Civil Engineering* (交通土建專業). He has extensive experience in project and corporate management. In 2004, Mr. WU joined SZ Expressway Group. Mr. WU had successively served as a deputy general manager and general manager of Shenzhen Expressway Construction Development Company Limited* (深圳高速建設發展有限公司), a wholly-owned subsidiary of SZ Expressway; a general manager of Outer Ring Project Management Office* (外環項目管理處) of the SZ Expressway Group; and a deputy general manager of Jihe Reconstruction and Expansion Project Management Office* (機荷改擴建項目管理處) of the SZ Expressway Group from 2017 to 2022. Moreover, Mr. WU had also served as a director of Shenzhen Expressway Financial Leasing Company Limited* (深圳深高速融資租賃有限公司), a non-wholly owned subsidiary of Shenzhen Expressway from September 2021 to October 2025.

Mr. Cheng WU*

Aged 56, Mr. WU was appointed as an Executive Director, the Deputy General Manager and a member of the Executive Committee of the Company on 11 April 2018. He currently also serves as a director and deputy general manager of various subsidiaries and joint ventures of the Company. He obtained a bachelor's degree in Transportation Management* (交通運輸管理工程專業) from the Changsha Jiaotong College* (長沙交通學院) (now known as Changsha University of Science and Technology) in July 1995. Mr. WU worked as the Deputy General Manager and General Manager at the Luohu Station of Shenzhen Transportation Services Corporation* (深圳市交通運輸服務公司羅湖汽車站) since October 1997, and became the Deputy General Manager of the Management Office of Shenzhen Kuaiyibu Logistics Company Limited* (深圳市快一步物流有限公司) in February 2002. He was the head of the Business Department of Shenzhen Highway Passenger and Freight Transport Service Centre* (深圳市公路客貨運輸服務中心) in February 2009. Mr. WU joined Shenzhen Highway Passenger and Freight Transport Service Center Company Limited* (深圳市公路客貨運輸服務中心有限公司) in June 2012 as a Deputy General Manager, and also held an additional post of the Chairman of the Board of Directors of Shenzhen Transportation Service Company Limited* (深圳市客運服務有限公司) from November 2014 to April 2018.

* For identification purpose only

Profile of Directors and Senior Management

Mr. Ji LIU*

Aged 50, Mr. LIU was appointed as an Executive Director, the Deputy General Manager, secretary to the Board and a member of the Executive Committee of the Company on 11 April 2018. He currently also serves as a director and deputy general manager of various subsidiaries and joint ventures of the Company. Mr. LIU obtained a bachelor's degree in Economics from Zhongnan University of Finance and Economics and a Master of Science degree from the Hong Kong Polytechnic University in 1998 and 2004 respectively, and obtained an EMBA degree from Xiamen University in September 2018. He has obtained the qualification as an Economist in 2002.

Mr. LIU has many years of experience on investment and mergers of listed companies, state-owned property management, and corporate governance of listed companies. He joined Shenzhen Shenhua Group Corporation* (深圳市深華集團公司) in 1998 and joined the Property Management Office of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal* (深圳市國有資產監督管理委員會產權管理處) in 2005. Mr. LIU joined Shenzhen International since August 2006. He successively held the posts of the Secretary of the Board of Executive Directors, the General Manager of the Information Technology Department, the General Manager of the Administration Department, the General Manager of the Corporation Management Department and the General Manager of the Investment Management Department, etc. Mr. LIU is currently a mediator of Shenzhen Court of International Arbitration* (Shenzhen Arbitration Commission*) (深圳國際仲裁院(深圳仲裁委員會)) and was the Supervisor of Shenzhen Cereals Holdings Co., Ltd. (深圳市深糧控股股份有限公司) (listed on the Shenzhen Stock Exchange (stock codes: A000019 and B200019)) until 3 November 2023. From November 2016 to May 2018, he was a non-executive director of Shenzhen Expressway.

Ms. Guiping ZHAO*

Aged 52, Ms. ZHAO was appointed as a Non-executive Director of the Company on 12 February 2026. Ms. Zhao joined Shenzhen Expressway in 2000 and had successively served as assistant to the manager of the finance department, deputy general manager of the finance department, deputy general manager and chief financial officer of Shenzhen Expressway Investment Co., Ltd* (深圳高速投資有限公司). Ms. ZHAO served as the general manager of the finance department of Shenzhen Expressway from December 2016 to March 2020, and has been the chief accountant of Shenzhen Expressway since September 2018. She has served as secretary to the board of directors and joint company secretary of Shenzhen Expressway since March 2022. She is mainly responsible for overall management of the financial and financing work, information disclosure, investor relations, and the daily affairs of shareholders' meetings and board meetings of Shenzhen Expressway. She also concurrently serves as director of various subsidiaries of Shenzhen Expressway. Ms. ZHAO has the qualification of Chinese Certified Public Accountant (Non-Practicing), Registered Asset Appraiser (Non-Practicing), and holds a Master's degree of Business Administration from Fudan University. She has extensive experience in finance, auditing, capital operation and corporate management.

* For identification purpose only

Profile of Directors and Senior Management

Ms. Xiao YANG*

Aged 41, Ms. YANG was appointed as a Non-executive Director of the Company on 24 October 2025. She has over 10 years' experience in corporate investment and financing of infrastructure. In June 2015, she joined Taiping Investment Holdings Co., Ltd.* (太平投資控股有限公司) (now known as Taiping Capital Insurance Assets Management Co., Ltd.* (太平資本保險資產管理有限公司)) and had successively served as the deputy general manager of debt investment department, the managing director of the innovative products investment department and the managing director of the equity investment department, and she is currently a deputy general manager of Taiping Poly Investment Management Company Limited* (太平保利投資管理有限公司), responsible for insurance fund investment and fund business. Prior to that, she had worked as secretary to the board and vice-president for Hong Kong Yatai Holding Group Limited (香港亞泰控股集團有限公司) during the period from June 2012 to June 2015. Ms. YANG has been a director of CPI Xinjiang Energy and Chemical Group Mulei New Energy Co., Ltd.* (中電投新疆能源化工集團木壘新能源有限公司) since April 2022 and has been a director of CPI Xinjiang Energy and Chemical Group Hami Co., Ltd.* (中電投新疆能源化工集團哈密有限公司) since December 2022. Ms. YANG obtained a Doctor of Philosophy Degree in Economics awarded by the University of Chinese Academy of Social Sciences in December 2024.

Mr. Xuan WANG*

Aged 52, Mr. WANG was appointed as a Non-executive Director of the Company on 30 June 2023. He obtained a Master's Degree in National Economics from Zhongnan University of Economics and Law in 2000. From 2002 to 2006, he successively worked for Wuhan Vanke Real Estate Co. Ltd.* (武漢市萬科房地產有限公司) and Shenzhen Vanke Development Co. Ltd.* (深圳市萬科發展有限公司). During 2007 to 2022, he served successively as the business manager of project investment center, assistant general manager and partner of business development center of China Vanke Co. Ltd. (Shenzhen Stock Exchange stock code: 000002 and the Stock Exchange stock code: 2202). Since 2023, he has been transferred to the southern region headquarters of China Vanke Co. Ltd. and is currently the regional partner and investment and strategy research general manager of the southern region headquarters of China Vanke Co. Ltd.

* For identification purpose only

Profile of Directors and Senior Management

Mr. Yu Lung CHING

Aged 56, Mr. CHING was appointed as an Independent Non-executive Director, a member and the chairman of the Audit Committee, a member of the Remuneration Committee of the Company on 11 April 2018 and a member of the Nomination Committee of the Company on 1 January 2022. He has more than 33 years of experience in auditing, corporate finance and accounting, and is currently a financial consultant. Mr. CHING obtained a bachelor's degree in business administration from the Chinese University of Hong Kong and executive master's degree in business administration from Tsinghua University in 1992 and 2006, respectively. Mr. CHING is a fellow member of Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants and a member of the American Institute of Certified Public Accountants. Mr. CHING is an Independent Non-executive Director of Hopson Development Holdings Limited (stock code: 754), Ngai Hing Hong Company Limited (stock code: 1047) and Luzhou Bank Co., Ltd. (stock code: 1983), all are listed on the Main Board of the Stock Exchange. He resigned as the chief financial officer of a listed company on the Main Board of the Stock Exchange with effect from 1 July 2023.

Mr. Tony Chung Nin KAN SBS, JP

Aged 75, Mr. KAN was appointed as an Independent Non-executive Director, a member of the Audit Committee, a member of the Remuneration Committee of the Company on 11 April 2018, a member of the Nomination Committee of the Company on 1 January 2022 and the Chairman of the Remuneration Committee of the Company on 19 May 2023. He is the Founder and Senior Consultant of Tony Kan & Co., Solicitors & Notaries, practising as a Solicitor of the Supreme Court of Hong Kong since 1982. He is also a Solicitor of the Supreme Court of England and Wales, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory, as well as Advocate and Solicitor of the Supreme Court of the Republic of Singapore. He is also a China Appointed Attesting Officer and a Notary Public. Mr. KAN was a Committee Member of the National Committee of the Chinese People's Political Consultative Conference for three consecutive terms and was a Committee Member of the Guangdong Committee of the Chinese People's Political Consultative Conference for three consecutive terms. Mr. KAN had been an Elected Member of the Sha Tin District Council from 1985 to the end of 2011. He had also been an Elected Member of the Regional Council and he was elected as Vice Chairman of the Council in July 1997 until its dissolution at the end of 1999.

Profile of Directors and Senior Management

Since 1988, Mr. KAN has served as a Councillor of Heung Yee Kuk in the New Territories and is currently an Ex Officio Member and Executive Committee Member of Heung Yee Kuk. Mr. KAN had served on various advisory committees for the government, including Town Planning Board Member as well as the Building Committee Member of the Housing Authority. He had served as a Member of the Election Committee of the Chief Executive of Hong Kong Special Administrative Region. Mr. KAN has been appointed as an Independent Non-executive Director of Man Wah Holdings Limited (stock code: 1999) from May 2013 to 30 June 2025, a company listed in Hong Kong. Mr. KAN has been appointed as an Independent Non-executive Director of Nameson Holdings Limited (stock code: 1982) from 29 January 2016 to 29 September 2025, which has been listed on the Stock Exchange on 12 April 2016. During the period from February 2016 to April 2024, Mr. KAN has been served as a Vice Chairman of the Board of Directors of DBG Technology Co., Ltd. (stock code: 300735), which has been listed on Shenzhen Stock Exchange ChiNext on 29 December 2017.

He was the Non-executive director of Midland Holdings Limited (“Midland Holdings”) (listed on the Main Board of the Stock Exchange (stock code: 1200), and subsequently became the Independent Non-executive Director of Midland Holdings during the period from October 1994 to September 2004. Mr. KAN also served as a Non-executive director of Midland Holdings during the period from March 2014 to October 2016 and was appointed as a Non-executive Director as well as the chairman of the board of Midland IC&I Limited (listed on the Main Board of the Stock Exchange (stock code: 459) since October 2016 to October 2019. He was appointed as an Independent Non-executive Director of Kimou Environmental Holding Limited (stock code: 6805) since 18 June 2019 to end of November 2024, which has been listed on the Stock Exchange on 16 July 2019.

Mr. Peng XUE*

Aged 55, Mr. Xue was appointed as an Independent Non-executive Director of the Company on 4 February 2022, a member of the Audit Committee and a member of the Remuneration Committee of the Company on 19 May 2023. He is the company secretary, authorised representative and the general manager of the operations management center of SITC International Holdings Company Limited (“SITC”, together with its subsidiaries, “SITC Group”), a company listed on the Stock Exchange (Stock Code: 1308). Mr. XUE had been a director of SITC from January 2008 to March 2021. From January 2008 to May 2013, he served as a chief financial officer of SITC. Mr. XUE has been appointed as the general manager of the operations management center of the SITC Group since July 2017. Mr. XUE had also been appointed as an independent non-executive director of China Beststudy Education Group, a company listed on the Stock Exchange (Stock Code: 3978) since 3 December 2018 and had resigned with effect from 4 July 2022.

* For identification purpose only

Profile of Directors and Senior Management

Mr. XUE graduated from Shandong Province Foreign Trade and Economic University* (山東省對外貿易經濟學校) in 1991 majoring in financial accounting, and graduated from Shandong University of Economics* (山東經濟學院) in 1997 majoring in accounting. He was qualified as an intermediate accountant in 2004 and also obtained an undergraduate degree in Accounting from Renmin University of China* (中國人民大學) in 2006. He received a master's degree in Business Administration from China Europe International Business School* (中歐國際工商學院) in 2011. He obtained a master's degree in Corporate Governance by The Open University of Hong Kong in 2019 and was also qualified of the fellowship of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and Institute of Chartered Secretaries and Administrators (now known as The Chartered Governance Institute) and Chartered Governance Professional.

Ms. Ling GAO*

Aged 51, Ms. GAO was appointed as deputy general manager of the Company in June 2022. She currently also serves as a director and deputy general manager of various subsidiaries of the Company.

Ms. Gao holds an Intermediate Accountant qualification and a Master of Business Administration from the University of the West of Scotland. She has many years of experience in human resource management. Ms. GAO served as deputy general manager of the human resources department at the Shenzhen Branch of the China Zheshang Bank Co., Ltd. and served as deputy general manager of Shenzhen Shenzhen International Supply Chain Management Co., Ltd.* (深圳市深國際供應鏈管理有限公司). Ms. GAO joined Shenzhen Expressway in April 2021 as deputy general manager of the human resources department, and held the position as the director of human resources of the Company since February 2022.

Mr. Chi ZHANG*

Aged 43, Mr. Zhang joined the Company in June 2020. He is currently serving as the deputy general manager of the Company, and also holding the position of deputy general manager of various subsidiaries of the Company.

Mr. Zhang holds a Master of Science degree from the University of Greenwich, United Kingdom. He has extensive experience in project management and real estate development planning. From 2010 to 2012, Mr. Zhang served as director of the planning and design department and landscape designer at Shenzhen Great Wall Investment Holdings Co., Ltd.* (深圳市長城投資控股股份有限公司) (now known as Shenzhen Centralcon Investment Holding (深圳市中洲投資控股股份有限公司)). From 2012 to 2020, Mr. Zhang successively served as the director of the board office and the chairman of the board of a subsidiary in Hong Kong at Shenzhen City Construction Development (Group) Co., Ltd.* (深圳市城市建設開發(集團)有限公司).

* For identification purpose only

Profile of Directors and Senior Management

Ms. Xiaojun LI*

Aged 44, Ms. LI was appointed as chief financial officer of the Company in January 2022. She currently also serves as a director, deputy general manager and chief financial officer of various subsidiaries and joint ventures of the Company.

Ms. LI has the qualification of Chinese Certified Public Accountant (CPA) and holds a Master's degree in Economics from Sun Yat-sen University. She possesses extensive experience in corporate financial management and project financing. She joined Shenzhen Expressway Group in 2011, and has held various positions including deputy manager, manager, and chief financial officer of the finance department at Shenzhen Expressway Investment Co., Ltd. From October 2018 to June 2022, she served as deputy general manager and general manager of the finance department at Shenzhen Expressway.

* For identification purpose only

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Overall Business Performance

During the year under review, the total net toll revenue of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) decreased by 3% YoY to approximately RMB4,734 million, which was mainly due to the further improvement of the surrounding expressway networks. The average daily toll revenue of the GS Superhighway decreased by 2% YoY to approximately RMB7.72 million and average daily mixed traffic increased by 2% to approximately 642,000 vehicles; the average daily toll revenue of the GZ West Superhighway decreased by 11% YoY to approximately RMB3.10 million and average daily mixed traffic remained flat YoY at approximately 268,000 vehicles; the average daily toll revenue and average daily mixed traffic of the Coastal Expressway (Shenzhen Section) increased by 7% and 10% YoY to approximately RMB2.15 million and 226,000 vehicles respectively.

During the year under review, the contracted sales of the Grand Park City amounted to approximately RMB1,434 million, representing the average sales price of approximately RMB19,000 per square metre.

Year	2025	2024	% Change
At Operational Level			
GS Superhighway			
Average daily toll revenue ^{N1} (RMB '000)	7,718	7,883	-2%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	642	632	2%
GZ West Superhighway			
Average daily toll revenue ^{N1} (RMB '000)	3,096	3,466	-11%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	268	268	0%
Coastal Expressway (Shenzhen Section) ^{N3}			
Average daily toll revenue ^{N1} (RMB '000)	2,155	2,012	7%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	226	205	10%

N1: Excluding tax

N2: Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-Free Policy was implemented

N3: Coastal Phase II commenced operations on 30 June 2024. Currently, it is not possible to separate the traffic volume data of Coastal Phase II for consolidated statistics. Therefore, the traffic volume data of Coastal Expressway (Shenzhen Section) only reflects the traffic volume data of Coastal Phase I, excluding that of Coastal Phase II. The toll revenue data of the Coastal Expressway (Shenzhen Section) includes both Coastal Phase I and Coastal Phase II

Management Discussion and Analysis

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Project Summary

Guangzhou — Shenzhen Superhighway

Location	Guangzhou to Shenzhen, Guangdong, PRC
Length	122.8 km
Lanes	A total of 6 lanes in dual directions, except for certain sections being 10 lanes
Class	Expressway
Toll Collection Period	July 1997–June 2027
Equity Interest	45%

Guangzhou — Zhuhai West Superhighway

Location	Guangzhou to Zhuhai, Guangdong, PRC
Length	97.9 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	Phase I West (September 2003 to September 2033) Phase II West (June 2010 to June 2035) Phase III West (January 2013 to January 2038)
Equity Interest	50%

Guangshen Coastal Expressway (Shenzhen Section)

Location	Shenzhen, Guangdong, PRC
Length	Approximately 37 km
Lanes	A total of 8 lanes in dual directions
Class	Expressway
Toll Collection Period	December 2013 to December 2038
Equity Interest	51%

Grand Park City

Location	Xintang Town, Zengcheng District, Guangzhou, Guangdong, PRC
Nature of Development	Residential Project
Stake	15%
Total Site Area	Approximately 200,000 square metres
Gross Floor Area	Approximately 600,000 square metres

Management Discussion and Analysis

Business Review

Operating Environment

Domestic and External Economic Situation

Due to the combined influence of multiple factors including increasing trade barriers, geopolitical tensions and heightened policy uncertainty in major economies, global economic growth momentum generally slowed down in 2025, and the international economic and trade environment became more severe. In the first half of 2025, measures such as “reciprocal tariffs” not only impacted the multilateral trading system centered on the World Trade Organisation but also intensified the risk of trade frictions worldwide. The instability of trade policies rose significantly, exerting sustained downward pressure on the long-term healthy development of global trade. In the WTO Trade Policy Review — Overview of Developments in the International Trading Environment (《世貿組織貿易政策審查 — 國際貿易環境發展概覽》) report released by the World Trade Organisation in December 2025, it is also clearly pointed out that policy uncertainty has become a key indicator contributing to the deterioration of the global trade environment.

In the face of a complex external environment characterised by weak global economic recovery, profound shift in the international landscape and ongoing adjustments to global trade order, Chinese Mainland’s economy continues to demonstrate strong resilience and robust vitality. According to the Central Economic Work Conference held in late December 2025, although the Chinese Mainland’s economic development still faces numerous challenges and the adverse effects of the external environment are increasingly evident, its fundamental strengths and long-term development positive trajectory, featuring a solid foundation, multiple advantages, strong resilience and vast potential, remain unchanged. Data from the National Bureau of Statistics shows that in 2025, Chinese Mainland’s GDP reached RMB140.2 trillion, representing a YoY growth of 5.0%, maintaining a stable and progressive development momentum despite pressures.

Management Discussion and Analysis

Business Review

Development of the Greater Bay Area

In 2025, the scale of foreign trade in the nine mainland cities in the Greater Bay Area steadily expanded, surpassing the RMB9 trillion mark to have reached RMB9.15 trillion, which accounted for 20.1% of Chinese Mainland's total import and export value and contributed over one-fourth of the incremental growth in Chinese Mainland's foreign trade. In September 2025, the World Intellectual Property Organisation released Global Innovation Index 2025 (《2025年全球創新指數》) ranking of the top 100 innovation clusters. The "Shenzhen-Hong Kong-Guangzhou" cluster ascended to the first place on the global top 100 list for the first time, while the Macao-Zhuhai cluster made its second consecutive appearance among the world's top 100. A multi-center, synergistic innovation landscape is taking shape.

The "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" (《粵港澳大灣區發展規劃綱要》) clearly proposed to jointly build platforms for Guangdong-Hong Kong-Macao cooperation and development, and accelerate the development and construction of major platforms such as Qianhai in Shenzhen, Nansha in Guangzhou, and Hengqin in Zhuhai, and fully leverage the role of such platforms as pilot demonstration zones for further reform, opening-up, and enhanced cooperation, while expanding development space for Hong Kong and Macao, promoting cooperation and sharing of public services, and driving comprehensive collaboration across Guangdong-Hong Kong-Macao. Documents such as the "Guangzhou Metropolitan Area Development Plan" (《廣州都市圈發展規劃》) and the "Shenzhen Metropolitan Area Development Plan" (《深圳都市圈發展規劃》), issued by the People's Government of Guangdong Province, set clear targets for 2030. By then, the Shenzhen Metropolitan Area is expected to achieve a significant leap in comprehensive economic strength, with an urbanisation rate of its permanent population exceeding 93%. A regional development pattern with complementary advantages has been basically formed, an integrated cooperation mechanism has been basically established, and the internationalisation level has been significantly improved, and an international metropolitan area with a high international reputation has been initially built.

Management Discussion and Analysis

Business Review

Since the promulgation of the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” (《粵港澳大灣區發展規劃綱要》), relevant national ministries and commissions and all sectors of community have supported the accelerated implementation of the development of the Greater Bay Area. In May 2025, the People’s Bank of China, the National Financial Regulatory Administration, China Securities Regulatory Commission, the State Administration of Foreign Exchange, and People’s Government of Guangdong Province jointly issued the “Opinions on Financial Support for Nansha District in Guangzhou to Deepen the Global Comprehensive Cooperation between Guangdong, Hong Kong and Macao” (《關於金融支持廣州南沙深化面向世界的粵港澳全面合作的意見》), which proposed 30 key measures to improve innovative and entrepreneurial financial services, strengthen financial services in the field of social and people’s livelihood, develop characteristic financial services, promote the interconnection of the financial markets among Guangdong, Hong Kong and Macao, conduct cross-border financial innovation and exchanges, and improve the financial supervision mechanism.

On 11 September 2025, the State Council approved a two-year comprehensive pilot reform for market-oriented factor allocation in ten regions, including the nine mainland cities in the Greater Bay Area, as well as Chongqing and Chengdu. The pilot aims to comprehensively enhance the efficiency of coordinated factor allocation, leverage existing innovation platforms such as the Shenzhen, Guangzhou Nansha (Greater Bay Area) and Hengqin-Guangdong-Macao International Advanced Technology Application Promotion Centers, and take the lead in promoting the application and standardisation of intelligent unmanned systems across maritime, land and air spaces. In December 2025, the “Southbound Travel for Guangdong Vehicles” policy was officially implemented, allowing eligible vehicles from Guangdong to enter urban areas of Hong Kong. The completed “15th Five-Year” Plan for Shenzhen’s Ports Development (《深圳口岸發展“十五五”規劃》) systematically outlines 8 key tasks, 33 specific measures and 19 major projects to build a higher-level port opening system. Key measures include strengthening Shenzhen-Hong Kong collaboration, supporting the expansion of the “Northbound Travel for Hong Kong Vehicles” policy, innovating customs clearance models such as “Collaborative Inspection and Joint Clearance” and “One-sided Inspection” and providing support for two strategic platforms, namely the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone and the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.

The Chinese Mainland’s competent authorities and the society recognise the importance of the mission and tasks of the development of the Greater Bay Area and vigorously spur the positive development of competitive industries, that will benefit the operating environment of the Group’s expressway business in a long run and provide strong support for the sustainable development of the Group’s business.

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Latest Updates on Industry Policies

Issuance of the Operation Guidelines for the New Mechanism of Public-Private Partnership on Toll Roads (《收費公路政府和社會資本合作新機制操作指南》)

In April 2025, the General Office of the Ministry of Transport and the General Office of the National Development and Reform Commission published a notice on the “Operational Guidelines for the New Mechanism of Public-Private Partnership on Toll Roads” (《收費公路政府和社會資本合作新機制操作指南》), which further standardised the implementation of the new mechanism of public-private partnership (PPP), fully mobilised the enthusiasm of private investment, and was conducive to the promotion of the development of the toll road PPP construction projects under the new mechanism.

Amendments to the Regulations on the Administration of Toll Roads (《收費公路管理條例》)

In May 2025, the Ministry of Transportation included amending the Highway Law of the People’s Republic of China (《中華人民共和國公路法》) and the Regulations on the Administration of Toll Roads (《收費公路管理條例》) in the Legislative Work Year Plan again. As of now, although the amendments have not been completed, according to the guiding principles for the amendments, the relevant laws and regulations will further strengthen the management of toll roads, standardise the behaviours of highway toll collection, safeguard the legitimate rights and interests of operators, administrators and users of toll roads and promote the development of the highway industry.

Management Discussion and Analysis

Business Review

Domestic Support Policies on Automobile Retail and Low Altitude Economy

In March 2025, the General Office of the Chinese Communist Party Central Committee and the General Office of the State Council published the “Special Action Plan for Boosting Consumption” (《提振消費專項行動方案》), which proposed to increase the support for the replacement of old consumer goods with new ones, make good use of the funds from the ultra-long-term special national bonds, and support localities to strengthen and expand the implementation of the replacement of old consumer goods with new ones, and promote the greening and intelligent upgrading of large-volume durable consumer goods such as automobiles, household electrical appliances, home furnishings and other large durable consumer goods. It was proposed to extend the chain of automobile consumption and launch pilot reforms in automobile circulation and consumption, and expand automobile after-market consumption such as automobile modification, leasing, racing and recreational vehicle camping.

In October 2025, the General Office of the People’s Government of Guangdong Province issued the “Certain Measures of Guangdong Province to Support the High-Quality Development of the Low Altitude Economy” (《廣東省支持低空經濟高品質發展若干措施》), in which it is proposed that the provincial fiscal support for the construction of provincial-level low-altitude public service infrastructure should be increased. It is emphasized that the integration of low-altitude infrastructure with the comprehensive transportation system should be strengthened, cities are encouraged to reserve space for low-altitude facilities in urban renewal and transportation hub construction projects, and low-altitude infrastructure along with supporting land and electricity resources should be incorporated into the construction of public infrastructure. It is also clarified that the construction of communications, navigation, surveillance and meteorological services are required, and essential resources for future development should be reserved. For eligible low-altitude infrastructure projects, funding for preliminary work will be enhanced. Furthermore, in December 2025, the Shenzhen Administration for Market Regulation and the Development and Reform Commission of Shenzhen Municipality jointly released the “Guidelines for the Construction of Shenzhen’s Low-altitude Economy Standard System 2.0 and Standardisation Roadmap Planning” (《深圳市低空經濟標準體系2.0及標準化路線規劃》), which further strengthened systematic planning for standardisation of the low-altitude economy and accelerated the establishment of a standard system that meets the demand for high-quality development of low-altitude economy.

In Chinese Mainland, with the intensive implementation of policies promoting automobile consumption, the growth rate of vehicle ownership has remained stable. According to data released by the Ministry of Public Security, the number of motor vehicles in Chinese Mainland reached 469 million by the end of December 2025, of which 366 million were automobiles. In 2025, a total of 35.35 million new motor vehicles were registered nationwide, marking the eleventh consecutive year that registration has exceeded 30 million. The overall positive trend of the national automobile market and the emergence of new application scenarios such as low-altitude economy in the expressway industry are conducive to the development of the Group’s toll road business.

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GS Superhighway

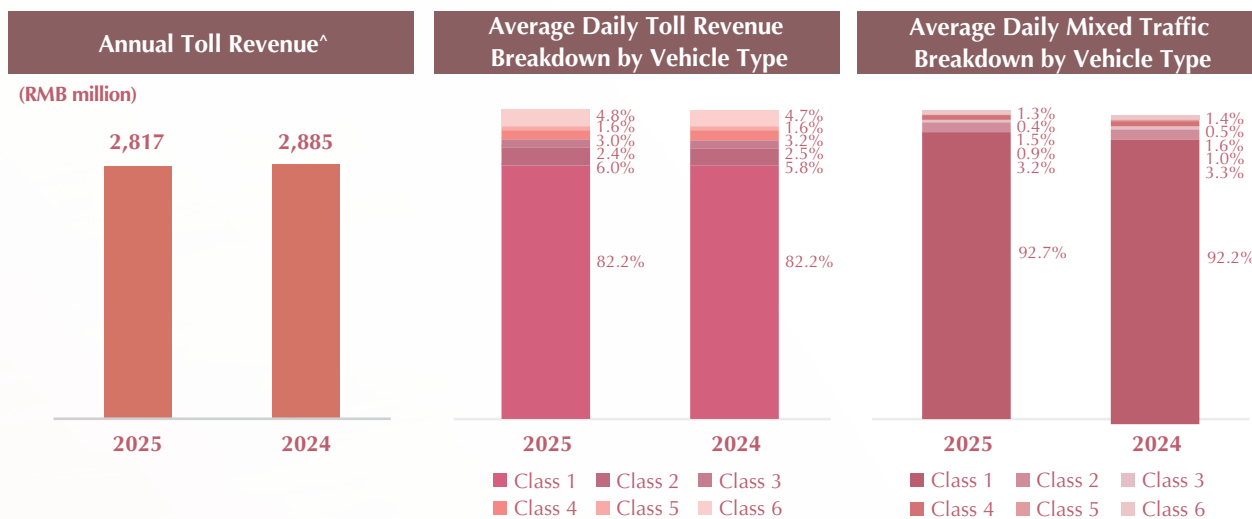
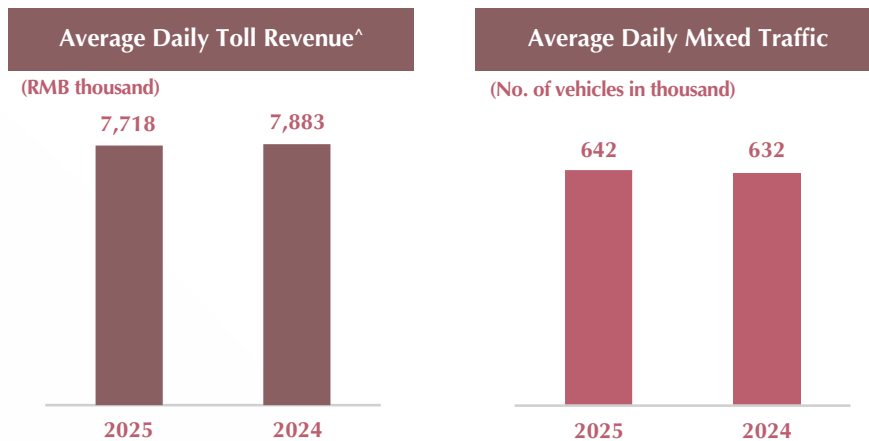
The GS Superhighway is a main expressway connecting the three major cities — Guangzhou, Dongguan and Shenzhen on the eastern bank of Greater Bay Area to Hong Kong. The GDP of Guangzhou, Dongguan and Shenzhen, the cities along the expressway, rose 4.0%, 4.0% and 5.5% YoY respectively in 2025, showing the economy has maintained steady growth. In 2025, the total toll revenue of the GS Superhighway was approximately RMB2,817 million. The average daily toll revenue decreased by 2% YoY to approximately RMB7.72 million and average daily mixed traffic increased by 2% YoY to approximately 642,000 vehicles respectively. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 82.2% and 92.7% of the toll revenue and mixed traffic volume of the GS Superhighway respectively. The operating performance of the GS Superhighway in 2025 was mainly affected by the changes in the surrounding expressway network starting in the second half of 2024 and the continuation of the traffic closures on surrounding expressways.

The Shenzhen-Zhongshan Link has opened to traffic on 30 June 2024. It is another convenient Pearl River crossing route for vehicles travelling between Shenzhen and the western Guangdong. It connects Coastal Phase II in the east, crosses the Pearl River to the west and connects the Zhongshan section of the Zhongshan-Kaiping Expressway, and interconnecting the GS Superhighway, the Coastal Expressway (Shenzhen Section) and the Guangzhou East Expressway. The opening of the Shenzhen-Zhongshan Link resulted in certain diversion impact on the vehicles originally passing the Humen Bridge and the Nansha Bridge via the GS Superhighway for travelling to and from the western Guangdong, and such effect subsided in the second half of 2025.

The Humen Port Branch Line of the Changhu Expressway has been closed from July 2024 until January 2026 for the implementation of reconstruction and expansion projects. During the period with complete closure of the Humen Port Branch Line of the Changhu Expressway, vehicles traveling to and from the GS Superhighway via the Changhu Expressway cannot enter and exit the GS Superhighway from the Xinlian Interchange, and need to be diverted to enter and exit the GS Superhighway from the Wudianmei Interchange. This has slightly increased the travel distance on the GS Superhighway, resulting in a slightly positive impact on the GS Superhighway.

Management Discussion and Analysis

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[^] Excluding tax

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Business Review

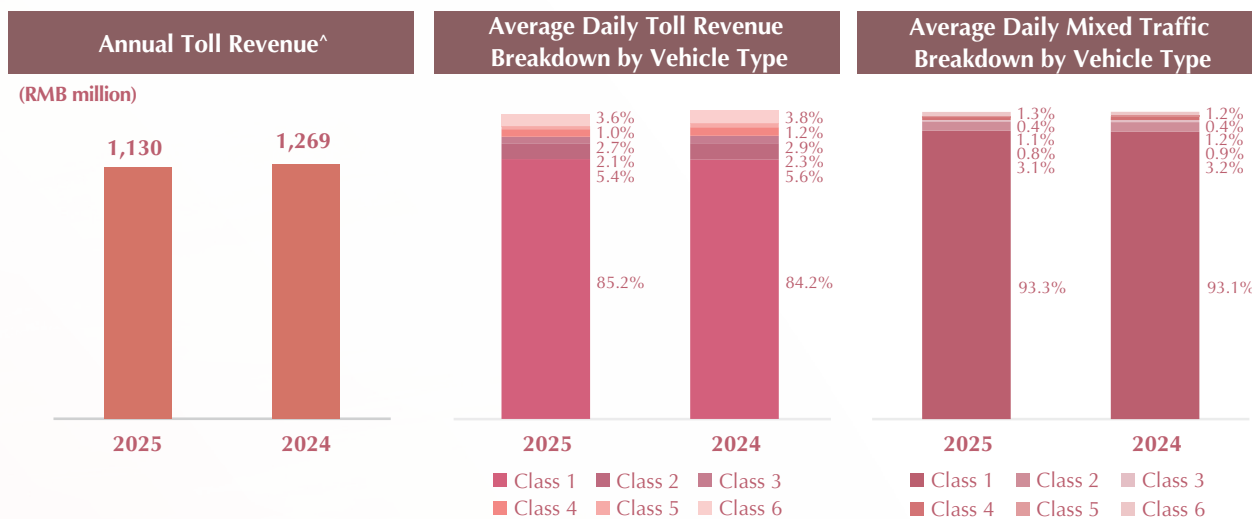
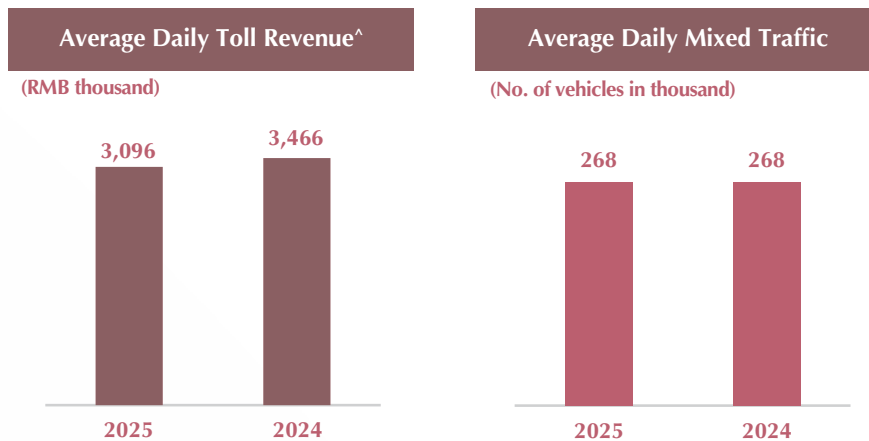
GZ West Superhighway

The GZ West Superhighway is the expressway artery between the city centres of Guangzhou and Zhuhai, and offers access to the HZM Bridge. The GDP of Guangzhou, Foshan, Zhongshan and Zhuhai, the cities along the expressway, rose 4.0%, 0.2%, 3.8% and 2.7% YoY respectively in 2025, and the economy maintained steady growth. In 2025, the total toll revenue of the GZ West Superhighway was approximately RMB1,130 million. The average daily toll revenue decreased by 11% YoY to approximately RMB3.10 million and average daily mixed traffic remained flat YoY at approximately 268,000 vehicles. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 85.2% and 93.3% of the toll revenue and mixed traffic volume of the GZ West Superhighway respectively. The operating performance of the GZ West Superhighway in 2025 was mainly affected by the continuous changes in the surrounding expressway network starting in the second half of 2024.

In June 2024, the Zhongshan section of the Zhongshan-Kaiping Expressway has opened to traffic, connecting the Shenzhen-Zhongshan Link (simultaneously opened to traffic) in the east and the Jiangmen section of the Zhongshan-Kaiping Expressway in the west, with interchanges connecting to the GZ West Superhighway and the Zhongshan West Ring Expressway (parallel to the section of Dongfu to Yuehuan of the GZ West Superhighway) of the same north-south direction. In August 2024, the interchange originally connecting the Guangzhou-Zhongshan-Jiangmen Expressway and the Guangzhou-Foshan-Jiangmen-Zhuhai Expressway in the Zhongshan West Ring Expressway was further improved and fully interconnected. The further connection and improvement of the above expressway networks provided more travel route options for vehicles traveling between eastern and western Guangdong and between Guangzhou, Foshan and Zhuhai, which resulted in certain diversion effect on the GZ West Superhighway, such effect eased in the fourth quarter of 2025.

Management Discussion and Analysis

Business Review



[^] Excluding tax

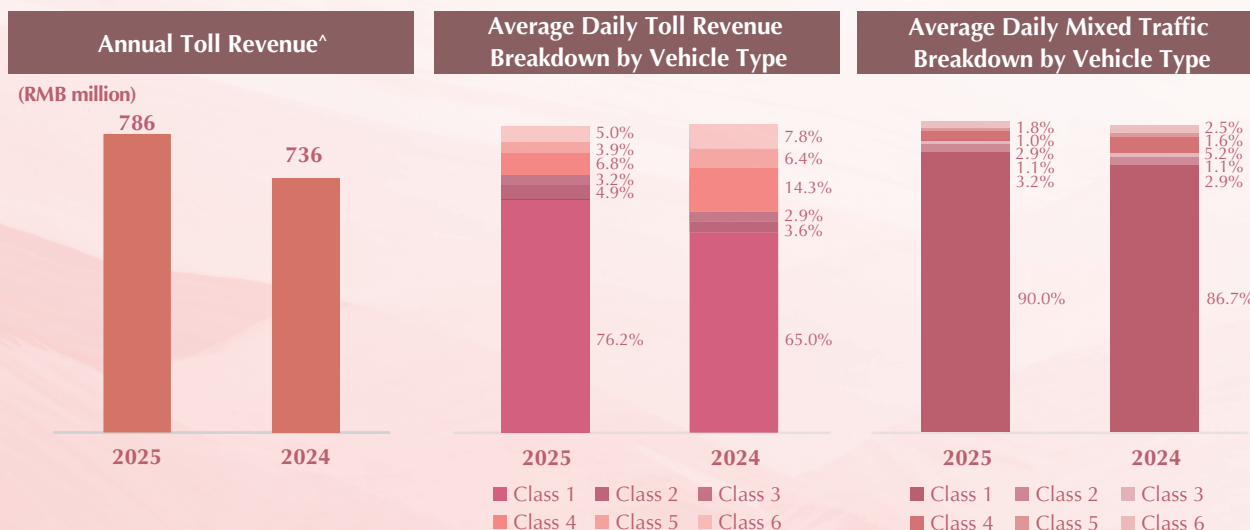
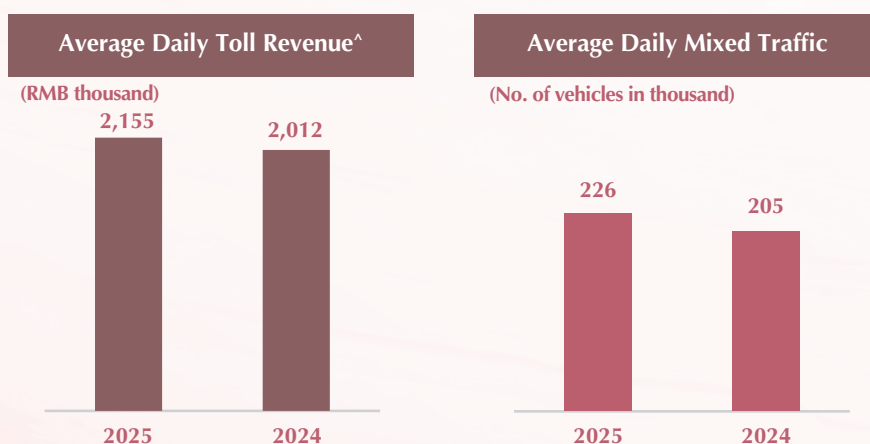
Management Discussion and Analysis

Business Review

Coastal Expressway (Shenzhen Section)

Coastal Expressway (Shenzhen Section) is the Shenzhen section of Guangshen Coastal Expressway, which comprises of Coastal Phase I and Coastal Phase II. Coastal Phase I extends from Dongbao River, the boundary between Dongguan and Shenzhen, to Nanshan District, Shenzhen and connects with Hong Kong-Shenzhen Western Corridor in the south. It is the main passageway for the three port areas of Shekou, Chiwan and Dachan Bay in the west of Shenzhen. Coastal Phase II is a connecting lane on the Shenzhen side of Shenzhen-Zhongshan Link, which connects the Jihe Expressway in the east and the Shenzhen-Zhongshan Link in the west and opened to traffic simultaneously with Shenzhen-Zhongshan Link in June 2024.

In 2025, the total toll revenue of the Coastal Expressway (Shenzhen Section) was approximately RMB786 million. The average daily toll revenue and average daily mixed traffic increased by 7% and 10% YoY to approximately RMB2.15 million and 226,000 vehicles respectively. The satisfactory performance was mainly driven by the combined impact of the simultaneous opening to traffic of the Coastal Phase II and the Shenzhen-Zhongshan Link in June 2024 and the ending of toll adjustment for freight vehicles and the opening of Mawan Tunnel since January 2025. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounted for 76.2% and 90.0% of the toll revenue and mixed traffic volume of the Coastal Expressway (Shenzhen Section), respectively.



[^] Excluding tax

Management Discussion and Analysis

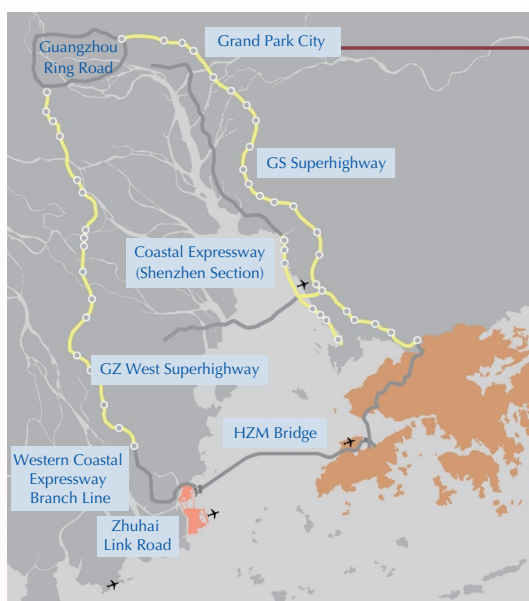
Business Review

Grand Park City

During the year under review, the Grand Park City newly launched 3 blocks for pre-sale, together with the units launched earlier, the contract sales amount of the Grand Park City was approximately RMB1,434 million, representing the average sales price of approximately RMB19,000 per square metre. Since the pre-sale, the accumulated contract sales as at 31 December 2025 amounted to approximately RMB5,989 million, representing the average sales price of approximately RMB22,000 per square metre.

Currently, the construction and pre-sale of residential units have proceeded according to market conditions. Among the pre-sold units, 5 blocks have yet to be delivered to buyers and are scheduled to be delivered to buyers in mid of 2026 to 2027 by phases.

Location of Grand Park City



Management Discussion and Analysis

Business Review

Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project

The reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway is divided into two phases, namely, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023 and shall mainly adopt the integral section expansion method in dual directions to a total of 10 lanes, and has completed tendering and bidding processes of multiple bid sections, and is now in full implementation stage.

The reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway obtained approval from the Guangdong Provincial Development and Reform Commission in June 2025. The approved total investment is approximately RMB21.433 billion, which includes government subsidy and other sources. The project follows its original route, starting at the Dongbao River Bridge at the Dongguan-Shenzhen border of the Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway, and ending at the Huanggang Toll Station in Shenzhen, with a total length of approximately 47.07 km and pilot section has commenced construction at the end of 2025.

The reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway is invested and constructed by GSZ Company, which was jointly invested and established by Hopewell China Development (a subsidiary of the Company) and Guangdong Highway Construction. On 24 January 2025, Hopewell China Development and Guangdong Highway Construction entered into the Capital Increase Agreement of GSZ Company. The registered capital of GSZ Company was changed to RMB7,300 million, with Hopewell China Development and Guangdong Highway Construction subscribing for and paying up RMB3,285 million and RMB4,015 million, respectively, in proportion to their respective 45% and 55% shareholding ratios.

Management Discussion and Analysis

Business Review

Potential Land Development and Utilisation of GS Superhighway

On 30 September 2022, GSZ Company entered into the Compensation Agreement with Land Reserve Centre and the Representatives in relation to land resumption along Luogang interchange. Thereafter, the Huangpu District Branch of Guangzhou Municipal Planning and Natural Resources Bureau issued a notice on 20 October 2022, that the detailed planning modification of the land parcels along Luogang interchange was approved and the Luogang interchange will be transformed to vacate land for residential development (inclusive of commercial use). Currently, the Company maintains active communications with Guangdong Highway Construction, aiming to seize opportunities and release the value of land along the GS Superhighway to achieve substantial investment returns.

Meanwhile, the Company and Guangdong Highway Construction are promoting the studies on the planning that integrates the expansion with land development of Dongguan section and Shenzhen section of GS Superhighway. We will adopt tailored approaches and site-specific plans, actively engage with relevant government authorities to revitalise relevant land resources, and create more values for both the Company and Shareholders.

Management Discussion and Analysis

Financial Review

The Group's results for the year ended 31 December 2025 were as follows:

RMB million	Year ended 31 December									
	2025					2024				
	Revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results	Revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results
Group's share of project contributions:										
Toll expressway projects										
— Coastal Expressway (Shenzhen Section) (100% shared)	786	645	(330)	(83)	232	736	620	(269)	(89)	262
— GS Superhighway ^{Note 1} (45% shared)	1,268	1,134	(449)	(238)	447	1,298	1,202	(465)	(271)	466
— GZ West Superhighway (50% shared)	565	441	(258)	(86)	97	634	510	(280)	(112)	118
Sub-total	2,619	2,220	(1,037)	(407)	776	2,668	2,332	(1,014)	(472)	846
Land development and utilisation project										
— Xintang Interchange Project (15% shared)	49	(21)	(1)	0	(22)	141	(16)	(1)	0	(17)
Total	2,668	2,199	(1,038)	(407)	754	2,809	2,316	(1,015)	(472)	829
YoY change	-5%	-5%	2%	-14%	-9%					
Corporate:										
Interest income from bank deposits					20					13
Investment income from structured deposits					-					4
Other income and other gain					8					7
Administrative expenses and depreciation					(68)					(58)
Finance costs					(126)					(174)
Income tax					2					4
Net exchange (loss) (net of related income tax)					(0)					(27)
Profit for the year					590					598
Profit for the year attributable to non-controlling interests ^{Note 2}					(122)					(137)
Profit for the year attributable to equity shareholders of the Company					468					461
YoY change					2%					

Note 1: Excluding exchange differences on HK Dollar loans, and related income tax.

Note 2: It mainly comprised 49% of the results of the Coastal Expressway (Shenzhen Section).

Management Discussion and Analysis

Financial Review

Toll Expressway Projects

The Group's share of net toll revenue of the expressway projects namely Coastal Expressway (Shenzhen Section) operated by a non-wholly owned subsidiary, and the GS Superhighway and the GZ West Superhighway operated by two joint ventures decreased by 2% to approximately RMB2,619 million from approximately RMB2,668 million last year. Specifically, the net toll revenue of the Coastal Expressway (Shenzhen Section) increased by 7% to approximately RMB786 million from approximately RMB736 million last year due to the simultaneous opening of the Coastal Phase II and the Shenzhen-Zhongshan Link during last year; due to the impacts of improvements in the surrounding road networks, the Group's share of the net toll revenue of the GS Superhighway decreased by 2% to approximately RMB1,268 million from approximately RMB1,298 million last year, the Group's share of net toll revenue of the GZ West Superhighway decreased by 11% to approximately RMB565 million from approximately RMB634 million last year.

As a result of the changes in toll revenue, the Group's share of aggregate EBITDA of its three toll expressways (excluding net exchange differences on the GS JV's HK Dollar denominated loans) decreased by 5% to approximately RMB2,220 million from approximately RMB2,332 million last year. The Group's EBITDA of the Coastal Expressway (Shenzhen Section) increased by 4% to approximately RMB645 million from approximately RMB620 million last year; the Group's share of EBITDA of the GS Superhighway decreased by 6% to approximately RMB1,134 million from approximately RMB1,202 million last year; the Group's share of EBITDA of the GZ West Superhighway decreased by 14% to approximately RMB441 million from approximately RMB510 million last year.

Management Discussion and Analysis

Financial Review

As a result of the changes in the actual full-length equivalent traffic (including tolled and toll-free) and the amortisation based on units-of-usage during the year, the Group's depreciation and amortisation charges of the Coastal Expressway (Shenzhen Section) amounted to approximately RMB330 million, representing an increase of 23% from approximately RMB269 million last year. The Group's share of depreciation and amortisation charges of the GS Superhighway amounted to approximately RMB449 million, representing a decrease of 3% from approximately RMB465 million last year. The Group's share of depreciation and amortisation charges of the GZ West Superhighway amounted to approximately RMB258 million, representing a decrease of 8% from approximately RMB280 million last year. Overall, the Group's share of aggregate depreciation and amortisation charges of the three toll expressways amounted to approximately RMB1,037 million, representing an increase of 2% from approximately RMB1,014 million last year.

During the year, part of the bank loans of the GS JV were denominated in HK Dollar, as affected by the decrease in outstanding HK Dollar loan principal and the decline in the interest rate of HK Dollar loans, the Group's share of interest expenses of the GS JV decreased by 62% to approximately RMB21 million from approximately RMB55 million last year. As benefited from the decline in the RMB denominated loan prime rate, and the decrease in outstanding loan principal, the Group's share of interest expenses of the GZ West JV decreased by 27% to approximately RMB43 million from approximately RMB59 million last year. The applicable PRC EIT rate for the Coastal Company, the GS JV and the GZ West JV is 25%. With the effect brought by the change in toll revenue and operating costs, the tax expenses of the Coastal Company for the year decreased by 6% to approximately RMB83 million from approximately RMB88 million last year. The Group's share of tax expenses of the GS JV amounted to approximately RMB217 million, similar to that of last year. Meanwhile, the Group's share of tax expenses of the GZ West JV decreased by 19% to approximately RMB43 million from approximately RMB53 million last year. Overall, the Group's share of interest and tax expenses of the Coastal Company and the two joint ventures in aggregate decreased by 14% to approximately RMB407 million from approximately RMB472 million last year.

Management Discussion and Analysis

Financial Review

During the year, the Group's net profit of the Coastal Expressway (Shenzhen Section) was approximately RMB232 million, representing a decrease of 11% as compared to a net profit of approximately RMB262 million last year; the Group's share of net profit of the GS JV was approximately RMB447 million, representing a decrease of 4% as compared to a net profit of approximately RMB466 million last year; the Group's share of net profit of the GZ West JV was approximately RMB97 million, representing a decrease of 18% as compared to a net profit of approximately RMB118 million last year. The Group's share of aggregate net profit of the three expressway projects (excluding net exchange differences on the GS JV's HK Dollar denominated loans) was approximately RMB776 million, representing a decrease of 8% as compared to a net profit of approximately RMB846 million last year.

Land Development and Utilisation Project

The Group (through Shenwan Infrastructure) holds 15% of equity interest in the Xintang JV. In order to meet the relevant bank financing requirements in Chinese Mainland, on 30 June 2021, the Xintang JV increased its registered capital from RMB10 million to RMB3.04 billion through a debt-for-equity swap on the existing shareholder's loans, and the shareholder's loans contributed by the shareholders of the Xintang JV accordingly decreased from approximately RMB4,983 million to approximately RMB1,953 million; the registered capital contributed by the Group (through Shenwan Infrastructure) increased from RMB1.50 million to approximately RMB456 million based on its shareholding proportion, and all the shareholder's loans had been fully repaid in 2023. Residential units of the first phase of Grand Park City were delivered to buyers in 2023 as schedule. Certain residential units of the second phase of Grand Park City were delivered to buyers in the second half of 2024. However, as the scale of delivery units during the year decreased as compared to last year, together with the changes in the macroeconomic environment of the domestic real estate market, Xintang JV's sales profit has reduced. The Group's share of net loss of the Xintang JV for the year was approximately RMB22 million.

Management Discussion and Analysis

Financial Review

Corporate

As benefited from the investment in value-added deposit products, the aggregate amount of the corporate's interest income from bank deposits and investment income from structured deposits was approximately RMB20 million, representing an increase of 18% from approximately RMB17 million last year.

The finance cost during the year decreased by 28% to approximately RMB126 million from approximately RMB174 million last year, which was mainly due to the decline in the interest rate during the year and the Group optimised the terms of existing loans and refinanced debt with lower-interest loans.

The net exchange loss recorded by the Group during the year (including the Group's share of exchange gain on the HK Dollar denominated loans of the GS JV) amounted to approximately RMB250,000, as compared to the net exchange loss of approximately RMB27 million recorded last year due to depreciation of RMB.

Overall, the profit for the year attributable to equity shareholders of the Company amounted to approximately RMB468 million, representing an increase of 2% from approximately RMB461 million last year.

Outlook

Although the global economic prospect remains uncertain, the macro environment in Chinese Mainland is expected to be generally steady. With the stable growth of social transportation volume in Chinese Mainland, the economic growth of the cities along the expressways will have a positive impact on the subsidiaries and joint ventures, and the Group believes that the stable core business of the Coastal Expressway (Shenzhen Section), the GS Superhighway and the GZ West Superhighway will continue to support the Group's future performance enhancement. In the long run, the Group remains cautiously optimistic about its future performance.

The Company is committed to creating value for Shareholders and has always adhered to the concept of maximising Shareholder's interests, and sharing the Group's performance with Shareholders through dividends distribution. Since listing in 2003, the Company has basically maintained a full-year regular dividend payout ratio of 75%-100% on recurring income. Under normal circumstances, the Company maintains the dividend payout ratio of previous years. For the year ending 31 December 2025, the Group has paid an interim dividend of RMB7.55 cents per Share and the Board has proposed a final dividend of RMB7.60 cents per Share, expecting a full-year dividend pay out ratio amounting to 100%. In the future, the Company will fully consider factors such as business position, financial position, funding requirements of major investment projects, adjustments to industry policies and the continuity of past dividend policies, and review the above dividend policy from time to time, balancing Shareholders' expectations and the long-term sustainable development of the Company.

Management Discussion and Analysis

Financial Review

Financing of the Group

The reconstruction and expansion project for the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway is invested and constructed by GSZ Company, which was jointly invested and established by Hopewell China Development (a subsidiary of the Company) and Guangdong Highway Construction. According to the Capital Increase Agreement entered into between Hopewell China Development and Guangdong Highway Construction, Hopewell China Development and Guangdong Highway Construction agreed to contribute, by way of registered capital, RMB7,300 million to GSZ Company. Among which, Hopewell China Development shall pay up RMB3,285 million, in proportion to its equity interest, representing 45% of the total contribution to GSZ Company.

Hopewell China Development intended to contribute its portion through external financing, dividends receivable from the GSZ Company, and internal resources of the Group, with disbursements to be made in batches according to the work progress and funding needs of the project.

As at 31 December 2025, the Group contributed approximately RMB295 million to the registered capital of the GSZ Company.

Financial position

The financial position of the Group comprises assets and liabilities at the corporate level and the Coastal Company and the Group's share of assets and liabilities of the GS JV, the GZ West JV and the Xintang JV.

Management Discussion and Analysis

Financial Review

Corporate

	31 December 2025 RMB million	31 December 2024 RMB million		31 December 2025 RMB million	31 December 2024 RMB million
Cash and cash equivalents	244	291	Bank loans	4,800	4,502
Time deposit	463	374	Tax liabilities	62	66
Dividend receivable	–	135	Dividend payable	4	–
Other assets	63	39	Other liabilities	55	26
	770	839		4,921	4,594
			Net liabilities of corporate	(4,151)	(3,755)

Coastal Company

	31 December 2025 RMB million	31 December 2024 RMB million		31 December 2025 RMB million	31 December 2024 RMB million
Cash and cash equivalents	613	443	Bank loans	28	30
Structured deposits	420	–	Other liabilities	411	424
Restricted bank deposits	35	62			
Concession intangible assets	5,391	5,695			
Other assets	447	489			
	6,906	6,689		439	454
			Net assets of the Coastal Company	6,467	6,235

The Group's share of JVs

GS JV (The Group's shared portion: 45%)

	31 December 2025 RMB million	31 December 2024 RMB million		31 December 2025 RMB million	31 December 2024 RMB million
Cash and cash equivalents	2,690	835	Bank loans		
Concession intangible assets	3,062	2,580	— HKD	220	694
Other assets	984	629	— RMB	1,400	572
			Other loan	14	13
			Other liabilities	2,778	897
	6,736	4,044		4,412	2,176
			Net assets of GS JV	2,324	1,868

Management Discussion and Analysis

Financial Review

GZ West JV (The Group's shared portion: 50%)

	31 December 2025 RMB million	31 December 2024 RMB million		31 December 2025 RMB million	31 December 2024 RMB million
Cash and cash equivalents	98	221	Bank loans	1,459	1,763
Concession intangible assets	4,414	4,693	Other liabilities	388	421
Other assets	152	146			
	4,664	5,060		1,847	2,184
			Net assets of GZ West JV	2,817	2,876

Xintang JV (The Group's shared portion: 15%)

	31 December 2025 RMB million	31 December 2024 RMB million		31 December 2025 RMB million	31 December 2024 RMB million
Cash and cash equivalents	79	72	Bank loan	123	244
Inventories	696	676	Other liabilities	320	133
Other assets	61	44			
	836	792		443	377
			Net assets of Xintang JV	393	415

	31 December 2025 RMB million	31 December 2024 RMB million		31 December 2025 RMB million	31 December 2024 RMB million
			Total liabilities	12,062	9,785
			Equity attributable to equity shareholders of the Company	4,646	4,550
			Non-controlling interests	3,204	3,089
Total Assets	19,912	17,424	Total Shareholder's Equity and Liabilities	19,912	17,424
			Total net assets	7,850	7,639

	31 December 2025 RMB million	31 December 2024 RMB million
Total liabilities	5,493	5,163
Net debt ^{Note}	3,053	3,362
Total assets	13,344	12,802
Equity attributable to equity shareholders of the Company	4,646	4,550
Debt to asset ratio (Total liabilities/Total assets)	41%	40%
Gearing ratio (Net debt/Equity attributable to equity shareholders of the Company)	66%	74%

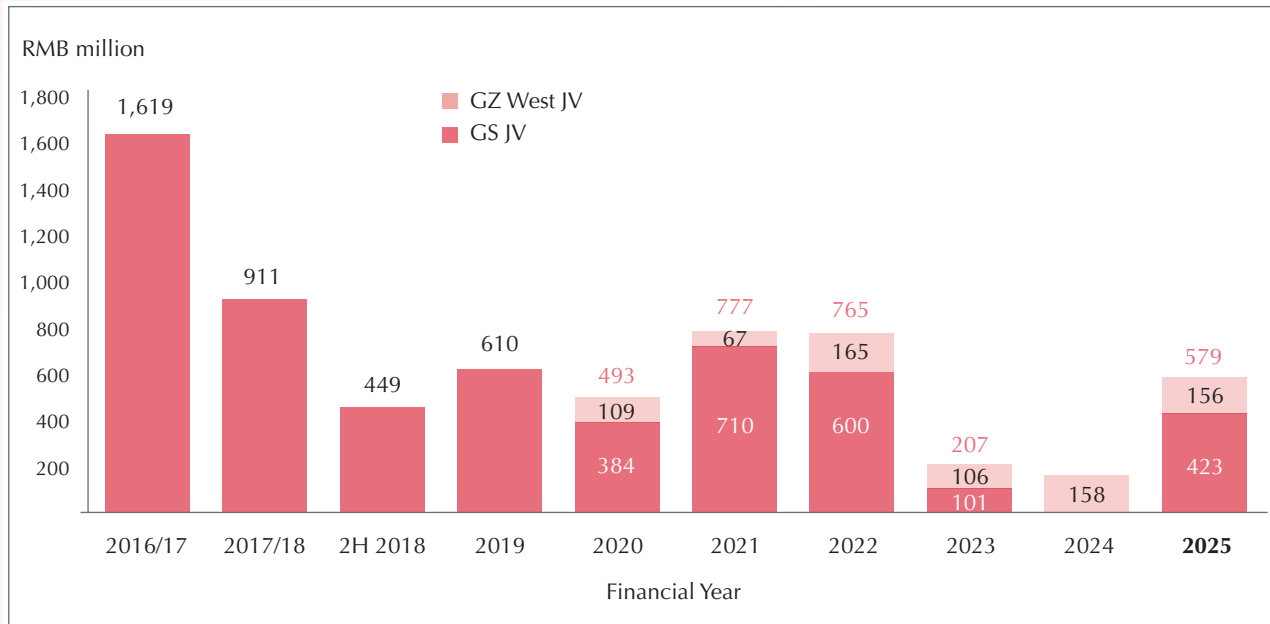
Note: Net debt is defined as total bank loans less total cash and cash equivalents, structured deposits, restricted bank deposits and time deposits.

Management Discussion and Analysis

Financial Review

Liquidity and Financial Resources

Cash Dividends (Net of Tax) from JVs to the Group



Bank and Other Borrowings

As at 31 December 2025, the Group (including the Coastal Company) had HK Dollar bank loan of equivalent to approximately RMB998 million and RMB bank loan of approximately RMB3,830 million, together with the bank and other borrowings of the JVs shared by the Group amounted to approximately RMB3,216 million (including HK Dollar bank loan of equivalent to approximately RMB220 million, RMB bank loan of approximately RMB2,982 million and other loans of approximately RMB14 million), totalling approximately RMB8,044 million (31 December 2024: approximately RMB7,818 million) with the following profile:

- 99.8% (31 December 2024: 99.8%) consisted of bank loans and 0.2% (31 December 2024: 0.2%) of other loan; and
- 84.9% (31 December 2024: 64.3%) was denominated in RMB and 15.1% (31 December 2024: 35.7%) was denominated in HK Dollar.

Management Discussion and Analysis

Financial Review

Debt Maturity Profile

As at 31 December 2025, the maturity profile of the bank and other borrowings of the Group (including the corporate and the Coastal Company) and the Group's share of JVs were shown below, together with the corresponding comparatives as at 31 December 2024:

Corporate

	31 December 2025		31 December 2024	
	RMB million	%	RMB million	%
Repayable within 1 year	3,502	73%	3,102	69%
Repayable between 1 and 5 years	1,298	27%	1,400	31%
	4,800	100%	4,502	100%

Coastal Company

	31 December 2025		31 December 2024	
	RMB million	%	RMB million	%
Repayable within 1 year	2	7%	2	6%
Repayable between 1 and 5 years	8	28%	8	27%
Repayable beyond 5 years	18	65%	20	67%
	28	100%	30	100%

The Group's share of JVs

	31 December 2025		31 December 2024	
	RMB million	%	RMB million	%
Repayable within 1 year	251	8%	636	19%
Repayable between 1 and 5 years	2,248	70%	1,896	58%
Repayable beyond 5 years	717	22%	754	23%
	3,216	100%	3,286	100%

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates. At present, the Group and JVs have not employed any financial derivative instruments to hedge their exposure to interest rates or foreign currency exchange rates.

Management Discussion and Analysis

Financial Review

Treasury Policies

The Group continues to adopt proactive but prudent treasury policies in its financial and funding management and closely monitors its liquidity, financial resources, interest rate and exchange rate movements, with a view to minimising its funding costs and enhancing return on its financial assets. The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Group, which is consistent with the core objectives of the Group to ensure capital safety and liquidity, for example, the impact of risk factors on the expected rate of return of structured deposits with guaranteed principal is low, but the Group could get a higher return as compared with fixed term deposits in commercial banks in the PRC. As at 31 December 2025, 98% of the Group's bank balances and cash (including structured deposits) were denominated in RMB and the remaining 2% were denominated in HK Dollar.

Guarantee

As at 31 December 2025, the available banking facilities of the Group amounting to approximately RMB13,187 million (31 December 2024: approximately RMB9,628 million), in which the available banking facilities of the Company's subsidiaries amounting to approximately RMB6,068 million (31 December 2024: approximately RMB4,928 million), were guaranteed by the Company. The Company is able to control the utilisation of the facilities.

Contingent Liability

The Group had no material contingent liability as at 31 December 2025.

Material Acquisition or Disposal

The Company's subsidiaries and joint ventures did not make any material acquisitions or disposals for the year ended 31 December 2025.

Events After the Reporting Period

Save as (i) the announcement of the Company dated 4 February 2026 in relation to the discloseable transaction in respect of the subscription of the structured deposit product; (ii) the announcement of the Company dated 12 February 2026 in relation to the change of chairman of the Board; appointment of non-executive Director; and change in composition of the Board committees; and (iii) the announcement of the Company dated 24 February 2026 in relation to the discloseable transaction in respect of the subscriptions of the structured deposit products, there were no other significant events after the end of the reporting period and up to the approval date of this report.

Management Discussion and Analysis

Other Information

Review of Annual Results

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the Group's annual results for the year ended 31 December 2025.

Employees and Remuneration Policies

As at 31 December 2025, the Group (excluding JV companies) had 549 employees (including 485 employees from the Coastal Company). The Group provides competitive remuneration for its employees with reference to the prevailing market remuneration level and the performance of the employees. Discretionary bonuses will be granted to employees based on their individual performance and the Group's business performance. In addition, the Group also provides employees with staff benefits such as retirement contribution scheme, medical insurance, provident fund contributions and labour union benefits.

Besides offering competitive remuneration packages, the Group is committed to promoting family-friendly employment policies and practises. The Group also invests in human resources development. Through the provision of relevant mechanism and system construction and internal and external training to enhance the productivity of employees and to fill the skill gap shown in their performance appraisal, employees are helped for career development and are provided with preparation for future positions, thereby promoting the successful development of the Group's business. Besides formal training programmes, the Group also provides comprehensive and relevant opportunities of training and further study to employees such as on-the-job training and the educational subsidies.

Management Discussion and Analysis

Other Information

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance Shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code.

During the year under review, the Company complied with all the applicable code provisions as set out in the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors' and employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout 2025.

On behalf of the Board

Jianming WU*

Chairman

Hong Kong, 18 March 2026

* *For identification purpose only*

Corporate Governance Report

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management and is strived to improve the governance system and fully adopt the effective code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules of the Stock Exchange. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code. The Company believes that good corporate governance can promote the sound operation and healthy development of the Company and enhance the Shareholders' value in the long run.

During the year ended 31 December 2025 (the "Year"), the Company complied with all the applicable code provisions as set out in the CG Code.

The Company has established a corporate governance structure with the Board as the core, and Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee have been established under the Board. According to the authorisation of the general meeting, the Board exercises management decision-making power in respect of development of strategy, investment and financing, financial control, human resources and corporate governance, and is responsible for leading the overall development of the Group, providing necessary resource guarantee for the implementation of strategic objectives, and supervising and inspecting the development and operation of the Company to promote the sustainable and healthy operation of the Company. The Company has formulated a number of corporate governance related documents, mainly including the Memorandum and Articles of Association, the Rules and Procedures of Board Meetings, the Executive Committee — Terms of Reference, and the Terms of Reference of each specific committee, the Code of Conduct and the Whistleblowing Policy, etc.; among which, the Memorandum and Articles of Association serves as the basis for corporate governance. The Directors take this as the guideline, take the initiative to lead by example, and perform their duties of loyalty and diligence.

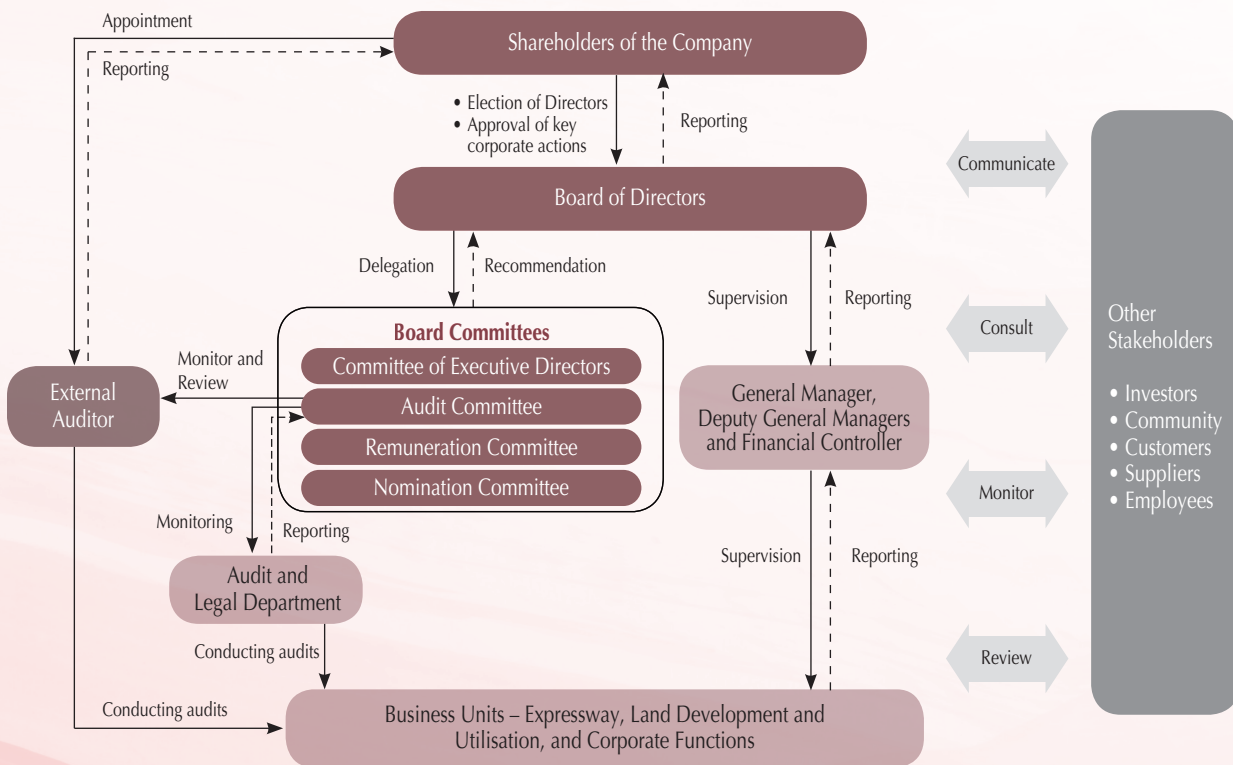
* For identification purpose only

Corporate Governance Report

The Board is responsible for formulating the Company’s medium and long-term development strategies, including corporate mission, corporate culture and values, corporate spirit, strategic objectives, development plans and implementation guarantees. In order to clarify the Company’s future development direction and strategic planning objectives, promote and ensure the Company’s high-quality development, based on in-depth research on internal and external environments and the Company’s core competitiveness, the Company has formulated the “14th Five-Year” development strategic plan.

The Company discuss and analyse the performance of the Group in the annual report every year, including the impact and the changing trends of domestic and international economic situations, the development situation of the Greater Bay Area, the policies of the expressway industry on the Company’s operations, the actual operating results of the Year and the factors affecting them, the completion of the annual operating plan and the annual operating plan for the next year, etc., to ensure the realisation of the Company’s medium and long-term development strategic goals.

Corporate Governance Structure



Corporate Governance Report

Board of Directors

The Board

The Company is managed through the Board which as at date of this report comprises three Executive Directors (including the chairman of the Board (“Chairman”)), three Non-executive Directors and three Independent Non-executive Directors. One third of the Board are Independent Non-executive Directors. The names and biographical details of the Directors, and the relationship amongst them, if any, are set out on pages 16 to 22 of this annual report.

The Board is responsible for setting the strategic direction and policies of the Group and supervising the management. Some functions including, inter alia, the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder of the Company or a Director, the approval of the interim and final results, other disclosures to the public or regulators and the risk management and internal control systems are reserved by the Board and the decisions relating to such matters shall be subject to the decision of the Board. Matters not specifically reserved to the Board and related to the daily operations of the Company are delegated to the management under the supervision of the respective Directors and the leadership of the General Manager.

Independent Non-executive Directors are selected with the necessary skills and experience to provide strong independent element to the Board and to exercise independent judgement. At least one of the Independent Non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise as provided under Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-executive Director a written annual confirmation of independence. All the Independent Non-executive Directors meet the independence criteria set out in Rule 3.13 of the Listing Rules.

The Board has agreed procedures for the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company’s expense. According to the consideration and decision making needs, the Company may engage the professional institutions including the accounting firms, lawyers and assessment institutions based on the actual situations to issue written reports for the Directors’ review. To ensure the independence of the professional institutions, the specific selection and engagement work is conducted by the Independent Non-executive Directors or independent board committee for the engagement of independent financial advisor for the connected transactions. The selection and engagement shall be determined by a majority of votes of the members and the members with connected relationship or conflict of interest shall abstain from voting and shall not be counted as total number of members. The Board reviews the implementation and effectiveness of the above mechanism annually.

Corporate Governance Report

The Company provides the Board and each specific committee under the Board with the materials and information required for consideration of resolutions within a reasonable time frame, makes prompt responses and may provide further information after receiving inquiries from the Directors. Under normal circumstances, relevant documents containing matters intended to be proposed to the Board for consideration or discussion would be dispatched to all Directors at least three days before the meeting. During the Year, the Company provided support to the Directors through the following channels. For example, arrangement was made for managers to report the progress of major events of the Group at Board meetings; and monthly reports on operational and financial performance were sent, to regularly report to the Board on the operational performance in areas such as traffic and toll revenue of expressways, the progress of key works and investment projects as well as relevant financial information and other conditions.

All Directors have given sufficient time and attention to the affairs of the Company after their appointments during the Year and have disclosed to the Company the major offices they held in public companies or organisations and other significant commitments.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

Chairman and General Manager

During the Year, Mr. Xiangwen LIAO* served as the Executive Director and the Chairman and was responsible to chair the operation of the Board and to ensure that the Board works effectively. Mr. Jianming WU* served as the Executive Director and General Manager (promoted to General Manager since 11 April 2025), was responsible for managing daily operation of the Group. The division of the responsibilities between the Chairman and the General Manager have been established, set out clearly in writing and was not performed by the same individual during the Year.

* For identification purpose only

Corporate Governance Report

Board Diversity

The Board has a board diversity policy since January 2019 which aims to set out the approach of the Company to achieve diversity on the Board.

Policy Statement

To enhance decision-making capability and achieve a sustainable development, the Company is committed to maintain a Board with diversity of directors. A number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, nationality and ethnicity, skills, knowledge and length of service, have been considered during the selection process to ensure diversity and to be relevant to the Company's business. All appointment to the Board will be based on merit, having regard to the ability of candidates to complement and expand the skills, knowledge and experience of the Board as a whole.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, nationality and ethnicity, skills, knowledge and length of service. The Board also includes a balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors so that there is element of independence in the Board.

Up to date of this report, the Board comprises nine Directors, including three Executive Directors (including the Chairman), Mr. Jianming WU*, Mr. Cheng WU* and Mr. Ji LIU*; three Non-executive Directors, Ms. Guiping ZHAO*, Mr. Xuan WANG* and Ms. Xiao YANG*; and three Independent Non-executive Directors, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*. In terms of professional background, the members of the Board possess industry and professional skills in various aspects of toll road operation, project management, transportation, investment and merger and acquisition, listed corporate governance, real estate development, financial securities, financial accounting and auditing, legal affairs, etc.. In terms of gender, the Board consists of two female Directors and seven male Directors, which is not a single-gender Board. Members of the Board are of different professional backgrounds and genders, which help to maintain the diversity of the Board and achieve more comprehensive decision-making. At the same time, the Company is also committed to building a gender-diverse working environment. In the process of employee recruitment, we balance the gender ratio of men and women based on the characteristics of the position. As of 31 December 2025, among all employees of the Company (including senior management), female accounted for 48%, male accounted for 52%, and the gender ratio was relatively balanced.

* For identification purpose only

Corporate Governance Report

Appointment, Re-election and Removal

During the Year, the Board regularly considered and reviewed the plans for orderly succession for appointments to the Board and its structure, size and composition to ensure it had a balance of skills and experience appropriate for the requirements of the business of the Company and had a balanced composition of Executive and Non-executive Directors (including Independent Non-executive Directors) so that there was a strong independent element on the Board, which can effectively exercise independent judgement, and the Non-executive Directors had sufficient caliber and number for their views to carry weight. New Director(s) would be nominated by the Nomination Committee and the appointment should be subject to the Board's approval.

During the Year, among the Non-executive Directors (including Independent Non-executive Directors) appointed, all five Directors had no specific term of service but were subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Articles of Association, at least every three years.

In accordance with the Articles of Association, all newly appointed Directors shall hold office until the first annual general meeting of the Company after their appointment and shall then be eligible for re-election. Every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his/her (i) last appointment by the Board, (ii) last election or (iii) last re-election, and shall be eligible for re-election subject to the provisions of the Articles of Association.

Newly appointed Director(s) will be given an induction on the information of the Group and a manual on the duties and responsibilities as a director of a listed company both under the Listing Rules and applicable laws.

Corporate Governance Report

Board Committees

The Board established the Executive Committee with delegated authority for reviewing and approving the day-to-day business operations and ordinary and usual course of business of the Company. This committee comprises all the Executive Directors.

In addition, the Company established the Audit Committee, the Remuneration Committee and the Nomination Committee to deal with the specific matters as set out below in the interest of all Shareholders in an objective manner. The Audit Committee and the Remuneration Committee currently comprise three Independent Non-executive Directors; while the Nomination Committee is chaired by the Chairman and comprises two Independent Non-executive Directors.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Yu Lung CHING (chairman), Mr. Tony Chung Nin KAN and Mr. Peng XUE*. The company secretary of the Company, or in his/her absence, his/her representative, serves as the secretary of the Audit Committee and minutes of the meetings are sent to the members of the Audit Committee within a reasonable time after the meetings.

At least one of the members of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. None of the members of the Audit Committee was a former partner of the Company's existing external auditor within two years immediately prior to the dates of their respective appointments. All members have appropriate skills and experience in reviewing financial statements as well as addressing significant control and financial issues of the Company.

The Board expects the members of the Audit Committee to exercise independent judgement and delegates the responsibilities of the corporate governance functions to the Audit Committee in order to comply with the requirements of the CG Code. Under the terms of reference of the Audit Committee, the corporate governance functions of the Board have been delegated to the Audit Committee to monitor, procure and manage corporate compliance within the Group.

Major roles and functions of the Audit Committee include:

- to make recommendations to the Board on the appointment, re-appointment and removal of external auditor
- to approve the remuneration and terms of engagement of external auditor
- to review and monitor external auditor's independence and objectivity

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Corporate Governance Report

- to review the Group's financial controls, risk management and internal control systems on on-going basis
- to review the interim and annual financial statements before approval by the Board
- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board
- to review and monitor the training and continuous professional development of Directors and senior management
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
- to develop, review and monitor the code of conduct applicable to employees and Directors
- to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report
- to review arrangements for raising concerns about possible improprieties in financial reporting, internal control or other matters

During the Year, the Audit Committee held 4 meetings, and principal works reviewed and discussed included:

- to make recommendations to the Board on the re-appointment of KPMG as the Company's external auditor and to determine remuneration of KPMG
- to review the annual financial statements for the year ended 31 December 2024, the first quarter financial statements for the three months ended 31 March 2025, the interim financial statements for the six months ended 30 June 2025 and the third quarter financial statements for the nine months ended 30 September 2025 and make recommendations to the Board for approval
- to review the work performed by Audit and Legal Department of the Company
- to review the Group's risk management and internal control systems
- to review the policy of provision of non-assurance services by the external auditor
- to discuss the report on agreed upon procedures for quarterly results of 2025 by the external auditor
- to review the Company's Corporate Governance Report
- to review the audit planning for the year ended 31 December 2025

The terms of reference setting out the authority of the Audit Committee and its duties are available on the Company's publication website and the Stock Exchange's website.

Corporate Governance Report

Remuneration Committee

The Remuneration Committee comprises three Independent Non-executive Directors namely, Mr. Tony Chung Nin KAN (chairman), Mr. Yu Lung CHING and Mr. Peng XUE*. The head of Human Resources Department of the Company, or in his/her absence, his/her representative, serves as the secretary of the Remuneration Committee and minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings.

The Remuneration Committee has adopted the model that it will review the proposals made by the management of the Company on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Major roles and functions of the Remuneration Committee include:

- to make recommendations to the Board on the Company's policy and structure of all Directors' and senior management's remuneration; and the establishment of a formal and transparent procedure for developing remuneration policy
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives
- to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management
- to make recommendations to the Board on the remuneration of Non-executive Directors (including Independent Non-executive Directors)

During the Year, the Remuneration Committee held 3 meetings, principal works reviewed and discussed included:

- to review the level of Directors' fees and make recommendations to the Board on the Directors' fees for the year ended 31 December 2025
- to make recommendations to the Board on the 2025 operating results responsibility statement for senior management
- to make recommendations to the Board on the remuneration proposal of the general manager
- to make recommendations to the Board on the performance assessment results and remuneration proposals of senior management personnel for terms of office in 2024
- to make recommendations to the Board on the 2024-2026 operating results responsibility statement for senior management

The terms of reference setting out the authority of the Remuneration Committee and its duties are available on the Company's publication website and on the Stock Exchange's website.

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Corporate Governance Report

Nomination Committee

The Nomination Committee is chaired by the Chairman and comprises two Independent Non-executive Directors namely, Mr. Jianming WU* (chairman), Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN. The company secretary of the Company, or in his/her absence, his/her representative, shall act as the secretary of the Nomination Committee and minutes of the meetings are sent to the members of the Nomination Committee within a reasonable time after the meetings.

The Nomination Committee is to assist the Board in providing transparent and independent oversight for matters in relation to Board nomination and recruitment, Board diversity and succession planning of the Company.

Major roles and functions of the Nomination Committee include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a Board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships
- to assess the independence of Independent Non-executive Directors
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the General Manager
- To support the Company's regular evaluation of the Board's performance
- To make assessment of each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of issuers listed on the Main Board or GEM and other significant external time commitments of such Director and other factors or circumstances relevant to the Director's character, integrity, independence and experience
- To consider other topics as defined by the Board

During the Year, the Nomination Committee held 3 meetings, principal works reviewed and discussed included:

- to assess Directors who stand for re-election at the annual general meeting in 2025 (i.e. Mr. Jianming WU* and Mr. Peng XUE*) and make recommendations to the Board

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Corporate Governance Report

- to assess and recognise the independence of Independent Non-executive Directors
- to make recommendations to the Board in relation to the appointment of Mr. Jianming WU* as the General Manager
- to make recommendations to the Board in relation to the appointment of Ms. Xiao YANG* as a Non-executive Director

The terms of reference setting out the authority of the Nomination Committee and its duties are available on the Company's publication website and the Stock Exchange's website.

Attendance at Meetings

During the Year, the attendance records of the following Directors at Board meeting, Audit Committee meeting, Remuneration Committee meeting, Nomination Committee meeting and the 2025 Annual General Meeting are as follows:

Name of Directors	Number of meetings attended/held				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	2025 Annual General Meeting
Executive Directors					
Mr. Xiangwen LIAO* <i>Chairman</i> (resigned on 12 February 2026)	9/9	N/A	N/A	3/3	1/1
Mr. Jianming WU* <i>Chairman and General Manager</i> (promoted to General Manager on 11 April 2025 and appointed as the Chairman and the chairman of the Nomination Committee on 12 February 2026)	9/9	N/A	N/A	N/A	1/1
Mr. Cheng WU* <i>Deputy General Manager</i>	9/9	N/A	N/A	N/A	1/1
Mr. Ji LIU* <i>Deputy General Manager and Secretary to the Board</i>	9/9	N/A	N/A	N/A	1/1
Non-executive Directors					
Ms. Xiao YANG* (appointed on 24 October 2025)	1/1	N/A	N/A	N/A	N/A
Ms. Siyan CHEN* (resigned on 24 October 2025)	8/8	N/A	N/A	N/A	1/1
Mr. Xuan WANG*	9/9	N/A	N/A	N/A	0/1
Ms. Guiping ZHAO* (appointed on 12 February 2026)	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Yu Lung CHING	9/9	4/4	3/3	3/3	1/1
Mr. Tony Chung Nin KAN SBS, JP	9/9	4/4	3/3	3/3	1/1
Mr. Peng XUE*	9/9	4/4	3/3	N/A	1/1

* For identification purpose only

Corporate Governance Report

Induction Programme and Training for Board Members

A comprehensive and formal induction programme on key areas of business operations and practices of the Company is given to newly appointed Board members by the Company. A Guide on Directors' Duties published by the Companies Registry of Hong Kong and a Guide for Independent Non-executive Directors published by The Hong Kong Institute of Directors (in case of Independent Non-executive Director(s)) has/have been sent to each Director for his/her information and ready reference.

During the Year, Directors received regular updates and presentations on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities.

Directors' training is an on-going process. All Directors are encouraged to attend relevant training courses to enrich their knowledge in discharging their duties as a Director.

The Directors received trainings on the following areas to update and develop their skills and knowledge during the Year:

Name of Directors	Corporate Governance	Legal and Regulatory	Group's Business
Executive Directors			
Mr. Xiangwen LIAO* (resigned on 12 February 2026)	✓	✓	✓
Mr. Jianming WU*	✓	✓	✓
Mr. Cheng WU*	✓	✓	✓
Mr. Ji LIU*	✓	✓	✓
Non-executive Directors			
Ms. Xiao YANG* (appointed on 24 October 2025)	✓	✓	✓
Ms. Siyan CHEN* (resigned on 24 October 2025)	✓	✓	✓
Mr. Xuan WANG*	✓	✓	✓
Ms. Guiping ZHAO* (appointed on 12 February 2026)	N/A	N/A	N/A
Independent Non-executive Directors			
Mr. Yu Lung CHING	✓	✓	✓
Mr. Tony Chung Nin KAN SBS, JP	✓	✓	✓
Mr. Peng XUE*	✓	✓	✓

* For identification purpose only

Corporate Governance Report

Company Secretary

The company secretary of the Company (the “Company Secretary”) is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. He/She is also responsible for ensuring that the Board is fully apprised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of Directors.

The Company Secretary reports to the Chairman and the General Manager, plays an essential role in the relationship between the Company and its Shareholders, and assists the Board in discharging its obligations to Shareholders pursuant to the Listing Rules.

Ms. Ching Fan KOO of Fair Wind Secretarial Services Limited, an external service provider, has been engaged by the Company as its Company Secretary. The primary contact person of the Company with Ms. KOO is Mr. Ji LIU*, the Deputy General Manager and Secretary to the Board. Ms. KOO attended no less than 15 hours of relevant professional training during the Year.

Accountability and Audit

Financial Reporting

The Directors recognise the responsibility for preparing the consolidated financial statements of the Group. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties relating to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

During the Year, all Directors have been provided, on a monthly basis, with the Group’s updates giving a balanced and understandable assessment of the Group’s performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the relevant requirements of the Listing Rules.

External Auditor and their Remuneration

The Company’s external auditor is KPMG. The responsibilities of the auditor with respect to the financial reporting are set out in the Independent Auditor’s Report on pages 109 to 114 of this Annual Report. The independence of the external auditor is monitored by the Audit Committee which is also responsible for making recommendations to the Board on the appointment of external auditor as well as approving the terms of engagement and remuneration.

* For identification purpose only

Corporate Governance Report

During the Year, the fees payable by the Group to the external auditor in respect of audit and non-audit services provided by them were as follows:

	RMB'000
Audit services:	
Annual audit	1,080
Other audit	500
Non-audit services:	
Interim and quarterly results review	420
Review of project circulars	300
Others	57
Total	2,357

Risk Management and Internal Controls

The Board is of the opinion that sound risk management and internal control systems will help achieve the Group's business objectives, safeguard the Group's assets and contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations.

Roles and Responsibilities

The Board acknowledges its overall responsibility for the Group's risk management and internal control systems and for overseeing its effectiveness on an on-going basis through the Audit Committee which reports to the Board, when necessary, during the regular quarterly Board meetings. Executive Directors and management teams are delegated the roles of designing and maintaining an environment where managing risks forms the base of all activities.

Evaluation of the Group's risk management and internal control systems, including its effectiveness, proper functioning and compliance with internal policies and external regulations, is independently and consistently conducted by the Audit and Legal Department for principal operations.

Corporate Governance Report

Risk Management and Internal Control Framework

Under the Risk Management Policy approved by the Board, the Group strives to ensure that risk management and internal controls are integrated into the normal business processes and aligned with the strategic goals of the Group.

Control Environment

The Group, committed to ethical values, believes that honesty, integrity and fair play are its important assets in doing business. Such belief is realised through the Group's Code of Conduct under which employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. To enhance the Group's internal control mechanism and the awareness of corporate justice, a Whistle-blowing Policy has been in force. The policy provides a platform for employees and those who deal with the Company raising serious concerns internally in an effective manner.

The Group attaches great importance to the maintenance of an honest and upright working environment, and adopts a "zero tolerance" attitude towards improper conducts such as corruption, bribery and fraud. The Group have formulated the Code of Conduct and Whistleblowing Policy. Of which, the Code of Conduct regulates the ethics of employees at all levels of the Group. The main content includes: unless with the prior and specific approval from the Group, the Directors and staff should not solicit or accept any advantage for themselves or others from any person, company or organisation having business dealings with the Group; and, when actual or potential conflicts of interest arises, employees should report to the General Manager or the Board. The Whistleblowing Policy provides employees with relevant guidelines to ensure that improper behavior can be reported in a timely manner. The main content includes: when employee who has a legitimate malpractice concern, should inform the respective head of department and the head of audit and legal department in person or in writing; and depending on the nature and circumstances, the reported matter can be investigated internally, referred to the Hong Kong Police Force or relevant regulatory body, referred to an external auditor and/or constituted an independent inquiry. The Group's anti-corruption system and Whistleblowing Policy can be found in the environmental, social and governance ("ESG") report which is available on the Company's publication website and the Stock Exchange's website.

The Board, as the top strategy and policy setting body of the Group, provides oversight to the Group's management under the leadership of the General Manager. Clear corporate governance structure (as depicted on page 52 of our Corporate Governance Report) and reporting lines have been established with responsible parties held accountable for their own assigned areas.

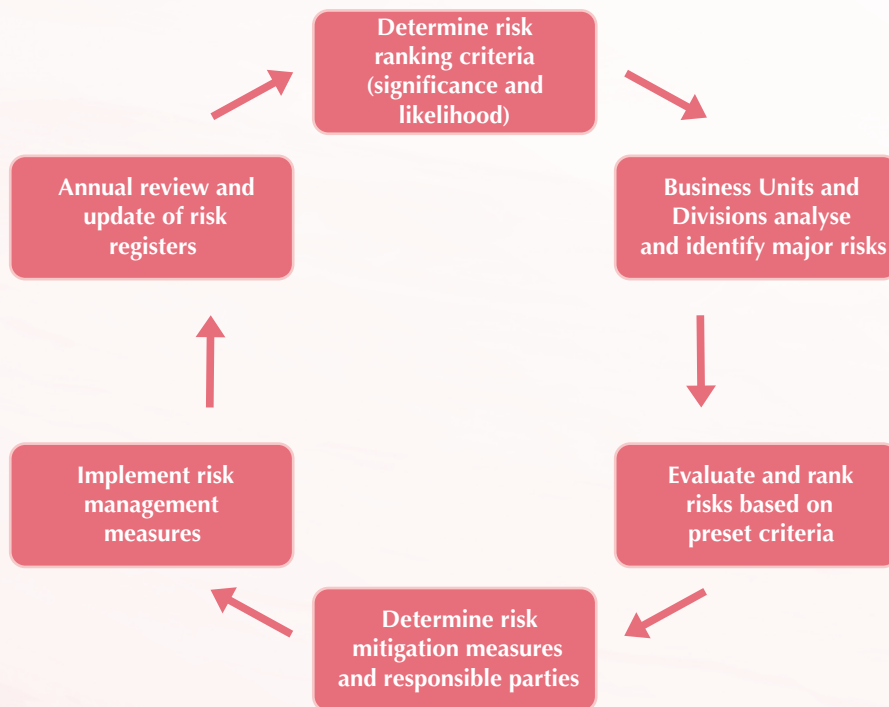
Corporate Governance Report

Risk Assessment

A holistic risk management framework is adopted across the Group for:

- (i) Identifying, communicating, mitigating and escalating major risk issues (including ESG risks);
- (ii) Incorporating risk management principles and objectives into strategic, operational and resource planning activities; and
- (iii) Designing and implementing an effective and efficient operation, enabling the Group to respond to a variety of risks (including ESG risks).

The Group's ongoing risk assessment program encompasses the following key steps:



Corporate Governance Report

Control Activities/Information and Communication

Internal control procedures of the Group include a comprehensive budgeting, information reporting and performance monitoring system.

Business plans and budgets, taking into consideration significant business risks, are prepared annually by the management of each business unit of the Company for review and approval by the Board. These plans and budgets are then reviewed periodically against actual performance for validity and adjustments. Various policies and procedures have been established for the approval and control of operating expenses, capital expenditures, project investments, unbudgeted items and acquisitions.

The Board review monthly management reports and the Executive Directors hold periodical meetings with the operational and finance management to discuss business performance, budget variances, forecasts, market outlooks, and to address any operation and finance related matters.

Senior management of the Company conducts a self-assessment on their compliance with the Group's policies, relevant regulations and the fulfillment of their risk management and internal control duties annually. A confirmation is then completed and submitted to the Audit Committee and be reported to the Board.

Monitoring Activities

The Board, through the Audit Committee, oversee the risk management and internal controls of the Group, with assistance from external and internal auditors. External auditor informs senior management of the Company and the Audit Committee on the operation of financial controls reviewed as part of the statutory audit. Findings and risk concerns of internal auditor are raised to responsible management by the Audit and Legal Department for rectification with significant items reported to the Audit Committee at least twice every year. Implementation status of audit findings would also be followed up by the Audit and Legal Department and reported to the Audit Committee.

Risk Management and Internal Control Review

During the Year, the Board, through the Audit Committee, has reviewed the effectiveness and proper functioning of the Group's internal control and risk management systems, financial reporting and rules/regulations compliance. These reviews also covered the adequacy of resources and competency of the financial/internal auditing as well as those relating to the Company's ESG performance and reporting. No major exception was noted.

Corporate Governance Report

Key Risk Profile of the Group

Based on the risk assessment conducted for the Year, impacts from the macroeconomic, financial, exchange rates, road safety and toll system security contributed to the most highly-ranked risks of the Group's main business segments.

The key risks thus identified and their trends are further illustrated as follows:

Risk Category	Risk Event	Risk Description	Risk Change in 2025
Macroeconomic Risk	Global economy	Due to the combined influence of multiple factors including increasing trade barriers, geopolitical tensions and heightened policy uncertainty in major economies, global economic growth momentum generally slowed down in 2025.	↔
Financial Risk	Capital expenditure	Major business expansion projects such as Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project require more capital expenditures. Although the Company has established funding management plans, phased investment and monitoring of major financial indicators, unpredictable risks still exist.	↔
Exchange Rates Risk	HKD borrowing rates and exchange rate fluctuations	The risk of increased exchange losses and interest expenses due to fluctuations in exchange rates and interest rates of debts held in foreign currency debts.	↔
Safety Risk	<ol style="list-style-type: none">Responsibility of road safety managementToll collection system breakdown due to virus attack or error	<ol style="list-style-type: none">Possible safety risks resulting from any failure to perform the responsibility of road safety management.In the national ETC network of toll collection system, data security must be strictly guaranteed. Data leakage will not only bring serious consequences to users, but may also lead to wrong charges. If there is a safety risk in the physical transmission link in the ETC system, the signal will be interfered or tampered with.	↔

Remarks:

↔ Inherent risks (risks before mitigation measures) remain stable

Corporate Governance Report

The Company prepares a detailed list of annual risk management plans, which records in detail the risk issues identified and the assessment results of the risk issues, formulates risk response measures on risks, and prioritises the risk issues based on the quantified risk assessment values, and determines key significant risks to focus on and prioritize control.

In addition to the significant risks mentioned above, the Company also continuously monitors and responds to other identified major risks: production management risks, capital operation risks, debt risks, investment risks, market competition risks, policy risks, etc., to ensure the realisation of the Group's business objectives.

Business Ethics

The Company considers ethical corporate culture and employees' honesty and integrity to be important assets and endeavours to comply with the laws and regulations of the countries in which we operate. All Directors and employees are required to act responsibly to ensure that the reputation of the Company is not tarnished. To uphold a high standard of integrity in all aspects of everyday activities, the Company adopts a Code of Conduct which provides employees with a set of defined ethical standards for adherence. The Code of Conduct is posted on the Company's intranet for observance by all staff. The heads of business units, through the Human Resources Department of the Company, are charged with the responsibility of disseminating the Code of Conduct requirements to the employees concerned.

Remuneration Policy

The Company formulates a competitive remuneration policy by reference to prevailing market salary practices in order to attract, retain and motivate the Directors and senior management of the Company to achieve the strategic targets of the Group. The remuneration package of the Executive Directors comprises of basic annual salary and performance related bonus and other benefits including contributions to retirement benefit scheme, medical insurance, accident cover. No Director is allowed to approve his/her own remuneration.

The Executive Directors' remunerations are reviewed by the Company annually by reference to the Executive Directors' job nature, job responsibilities and performance assessment. Directors' fees for the Year had been approved by the Shareholders at the 2025 Annual General Meeting.

Corporate Governance Report

Inside Information Policy

The Board has adopted the Inside Information Policy setting out the guidelines to the Directors and all employees of the Group to ensure that inside information can be promptly identified, assessed and disseminated to public in equal and timely manner in accordance with the applicable laws and regulations.

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors and an employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with all Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout the Year.

Shareholders

Communication with Shareholders

The Company recognises the importance of communication with the Shareholders, both individual and institutional as well as potential investors. The Board has adopted a Shareholders' Communication Policy setting out the provisions with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company. Specific communication channels include the option for Shareholders to access the latest and material information of the Group's major development projects through the Company's website and the Company's publication website; the annual general meeting to provide a platform for Shareholders to raise questions, deliver proposals and exchange views with the Directors; from time to time, arranging press conferences, analyst and investor briefing sessions to provide interested parties with the latest information on the Group's business performance. The Shareholders' Communication Policy of the Company is posted on the Company's publication website.

Corporate Governance Report

Dividend Policy

In compliance with Paragraph M of Part 1 Mandatory Disclosure Requirements of the CG Code, the Company's dividend payment policy is disclosed below.

The Company is committed to creating value for Shareholders and has always adhered to the concept of maximising Shareholder's interests, and sharing the Group's performance with Shareholders through dividends distribution. Since listing in 2003, the Company has basically maintained a full-year regular dividend payout ratio of 75%-100% on recurring income. Under normal circumstances, the Company maintains the dividend payout ratio of previous years. For the year ended 31 December 2025, the Company had paid an interim dividend of RMB7.55 cents per Share and the Board has proposed a final dividend of RMB7.60 cents per Share, expecting a full-year dividend payout ratio amounting to 100%. In the future, the Company will fully consider factors such as business conditions and operating strategies, financial results and anticipated financial performance, working capital requirements and capital expenditure plans for major investment projects; overall economic conditions, industry policies, and other internal or external factors that may impact the Group's business or financial performance and financial position, interests of the Shareholders; any other factors the Board may deem applicable from time to time, and review the above dividend policy from time to time balancing Shareholders' expectations and prudent capital management through a stable and sustainable dividend policy.

However, the Company's future proposals on distribution of profit for a year are subject to Shareholders' approval at general meetings, and proposals on distribution of profits for an interim period are subject to the Board's approval and may only implement after approval.

Disclosure of Information on the Company's Publication Website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and as timely as possible. The Company maintains a publication website at <https://sihbay.aconnect.com.hk> where important and updated information about the Group's activities and corporate matters such as annual and interim reports, announcements, business development and operations, corporate governance practices and other information are available for review by Shareholders and other stakeholders.

The Company also discloses in a timely manner the toll revenue of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) on the Company's publication website on a monthly basis. When announcements are made through the Stock Exchange, the same information is also made available on the Company's publication website.

Corporate Governance Report

Annual General Meeting

The Company's annual general meeting is one of the principal channels of communication with its Shareholders. It provides an opportunity for Shareholders to communicate face-to-face with the Directors about the Company's performance and operations. It has been the practice for most of the Executive Directors and the chairmen and/or member of the Audit Committee, the Remuneration Committee and the Nomination Committee together with the external auditor of the Company to attend the annual general meeting to response Shareholders' questions. The 2025 Annual General Meeting was held at 4th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on 21 May 2025. The 2026 Annual General Meeting has been scheduled to be held on 24 June 2026.

Investor Relations

Committed to upholding sound corporate governance practices, the Company believes that good communications with the market and Shareholders as well as transparency are of high priority.

As an important component to engage market participants, the Company's open and effective communications with the investment community is well-recognised. Proactive investor relations program was continued during the Year. Subsequent to interim and annual results announcements, two online results presentations via internet platform with investors, analysts and media were held with the attendance of senior management of the Company to answer queries. To further facilitate exchange of opinions, the senior management of the Company regularly attended investor meetings, roadshows, and conferences engaging both local and overseas investors and analysts. During the Year, more than thirty related activities were participated. In addition, the Company answered the enquiries of investors related to the business of the Company in a timely manner and communicate with investors through direct calls and emails and etc..

Good information disclosure can help investors to effectively understand the Company's operation and improve investors' awareness and recognition. During the Year, the Company completed the compilation and disclosure of the annual report and interim report in a timely manner, and conducted in-depth analysis on the Company's operation and financial conditions and changes in the external operating environment in the annual report and interim report. At the same time, information such as quarterly financial information and monthly operating information announcements continued to be disclosed during the Year, which further deepen investors' understanding of the Company's business development trend. On the other hand, the Company kept its publication website updated by publishing essential corporate information including announcements and financial reports on a timely and accurate basis. As a result, investors could keep track of the latest updates of the Company's business and financial performance.

Corporate Governance Report

The Board has reviewed the implementation of the Shareholders' Communication Policy of the Company for 2025. Having considered the above communication channels with investors, the steps taken and the activities held by the Company, the Company considers that the Shareholders' Communication Policy for 2025 has been effectively implemented. Going onward, the Company will continue to advocate its high level of corporate governance framework, aiming to enhance market confidence and maximise Shareholders' value. Investors can direct any comment or enquiry to the Company's investor relations team at ir@sihbay.com.

Shareholders' Rights

The Company recognises the significance and importance of having a governance framework that protects Shareholders' rights.

Voting by Poll

Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the Shareholders at each general meeting, and questions from Shareholders regarding the voting procedures are answered. The poll results are posted on the Company's publication website and on the Stock Exchange's website on the same day of the poll.

Convening of Extraordinary General Meeting on Requisition by Shareholders

In accordance with Article 68 of the Articles of Association, any one or more Shareholders holding together, as at the date of deposit of the requisition, Shares representing not less than one-tenth of the voting rights, on a one vote per share basis, which carry the right of voting at general meetings of the Company, may require the Board to convene an extraordinary general meeting ("EGM") by written requisition. The written requisition shall be deposited at the principal office of the Company in Hong Kong at Rooms 4902–4916, 49th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s) for the attention of the Company Secretary.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene an EGM, the Shareholder(s) concerned or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, provided that the EGM so convened shall not be held after the expiration of 3 months from the date of deposit of the requisition.

The EGM convened by the Shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the Board.

Corporate Governance Report

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretarial and Investor Relations Department of the Company whose contact details are as follows:

Company Secretarial and Investor Relations Department
Shenzhen Investment Holdings Bay Area Development Company Limited
Rooms 4902–4916, 49th Floor, Sun Hung Kai Centre,
30 Harbour Road, Wan Chai, Hong Kong
Email: ir@sihbay.com
Tel No.: (852) 2191 1622
Fax No.: (852) 2861 0177

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Act of the Cayman Islands. However, Shareholders are requested to follow Article 68 of the Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above.

Pursuant to Article 116 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless (i) he/she is recommended by the Board for election; or (ii) a Shareholder shall have given notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected shall have been given to the Company in the year commencing no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as Director is posted on the Company's publication website.

Report of the Directors

The Board of Directors have pleasure in presenting their report on the affairs of the Company and the Group together with the audited financial statements for the year ended 31 December 2025.

Principal Activities

The Company is an investment holding company. The Group focuses on initiation, promotion, development and operation of toll expressways and bridges as well as land development and utilisation along with the GS Superhighway in the PRC through its subsidiary and joint ventures established in the PRC. The principal activities of the Group's principal subsidiaries and the joint ventures are set out in notes 31 and 18 to the consolidated financial statements respectively.

Business Review

A review of the business of the Group during the year, a discussion on the Group's future business development and description of the principal risks and uncertainties the Company may be facing are provided in the Chairman's Statement on pages 9 to 13 and the Management Discussion and Analysis on pages 23 to 50 of this Annual Report. Also, the financial risk management policies and practices of the Group can be found in note 30 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the year ended 31 December 2025, if applicable, are provided in the Chairman's Statement on pages 9 to 13, the Management Discussion and Analysis on pages 23 to 50 and this Report of the Directors on pages 75 to 108 of this Annual Report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 2 to 3 and the 5-Year Financial Summary on pages 4 to 8 of this Annual Report.

In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, the Management Discussion and Analysis, the Corporate Governance Report and this Report of the Directors on pages 9 to 13, pages 23 to 50, pages 51 to 74 and pages 75 to 108 of this Annual Report respectively and the Environmental, Social and Governance Report to be available on the Company's publication website <https://sihbay.aconnect.com.hk>. All the above mentioned cross references form parts of this Directors' Report.

Results

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss on page 115.

Report of the Directors

Dividends

The Directors recommend the payment of a final dividend of RMB7.60 cents per Share (equivalent to HK8.644392 cents per Share at the exchange rate of RMB1:HK\$1.13742) (year ended 31 December 2024: a final dividend of RMB7.15 cents per Share (equivalent to HK7.74202 cents per Share)) in respect of the year ended 31 December 2025.

Together with the interim dividend of RMB7.55 cents per Share (equivalent to HK8.2917875 cents per Share) paid on 7 November 2025, the total dividends for the year will be RMB15.15 cents per Share (equivalent to HK16.9361795 cents per Share) (year ended 31 December 2024: RMB14.95 cents per Share (equivalent to HK16.264378 cents per Share)).

Major Projects and Events

Details regarding major projects undertaken by the Group and events that have taken place during the year are incorporated under the section “Business Review” as set out on pages 23 to 37.

Significant Investments Held

Details of significant investments held by the Group, representing 5% or more of the Group’s total assets as at 31 December 2025 are set out in note 18 to the consolidated financial statements. In addition, discussion of the Group’s investment strategy for the significant investments are incorporated under the section “Business Review” as set out on pages 23 to 37.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

Reserves and Distributable Reserve

Details of the movements in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on page 119.

Details of the distributable reserve of the Company during the year are set out in note 28 to the consolidated financial statements and the Company’s distributable reserve at 31 December 2025 amounted to approximately RMB2,047 million (31 December 2024: RMB2,338 million) which represented retained profits and share premium of the Company as at that date.

Report of the Directors

Fixed Assets

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

Major Customers and Suppliers

There are no major customers and suppliers in view of the nature of the Group's business.

Directors

The Directors and their profiles as at the date of this report are set out on pages 16 to 22. Directors during the year and up to date of this report are as follows:

Executive Directors

Mr. Jianming WU*

Mr. Cheng WU*

Mr. Ji LIU*

Mr. Xiangwen LIAO* (resigned as an Executive Director on 12 February 2026,
due to other work allocation)

Non-executive Directors

Ms. Gui Ping ZHAO* (appointed as a Non-executive Director on 12 February 2026)

Ms. Xiao YANG* (appointed as a Non-executive Director on 24 October 2025)

Mr. Xuan WANG*

Ms. Siyan CHEN* (resigned as a Non-executive Director on 24 October 2025,
due to other work allocation)

Independent Non-executive Directors

Mr. Yu Lung CHING

Mr. Tony Chung Nin KAN SBS JP

Mr. Peng XUE*

In accordance with the Articles of Association, every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his last election/re-election and shall be eligible for re-election subject to the provisions of the Articles of Association.

Report of the Directors

Furthermore, in accordance with the Articles of Association, all newly appointed Directors shall hold office until the first annual general meeting of the Company after their appointment and shall then be eligible for re-election. Ms. Xiao YANG* (appointed as a Non-executive Director on 24 October 2025) and Ms. Gui Ping ZHAO* (appointed as a Non-executive Director on 12 February 2026), shall hold office until the 2026 Annual General Meeting after their appointment and, being eligible, offered themselves for re-election.

Permitted Indemnity Provision

Pursuant to the Articles of Association, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director, in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group, which is in force during the course of the year under review and remained in force as of the date of this report.

Directors' Material Interest in Transactions, Arrangements or Contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, fellow subsidiaries or its parent company was a party or were parties and in which a Director or entities connected with him/her had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Contracts Between the Company and Controlling Shareholders

Save as the section headed "Connected Transactions and Continuing Connected Transactions" below and note 33 to the consolidated financial statements, there is no contract of significance whether for provision of service or otherwise, between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries at any time during the year.

Report of the Directors

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules are set out as follows:

Long positions in ordinary shares and underlying shares of Shenzhen International, an associated corporation of the Company:

Director	Number of ordinary shares and underlying shares ⁽²⁾ held	Approximate percentage to the issued shares of Shenzhen International	Nature of interests	Capacity
Xiangwen LIAO ^{*(1)}	498,000	0.020%	Family interests	Interests of spouse

Interests in share options of Shenzhen International, an associated corporation of the Company:

Director	Outstanding share options at 1/1/2025	Change during the year						Outstanding share options ⁽²⁾ at 31/12/2025	Exercise price per share HK\$	Nature of interests	Capacity
		Adjustment	Granted	Exercised	Lapsed	Cancelled	Expired				
Xiangwen LIAO ^{*(1)}	830,000	-	-	-	-	332,000	-	498,000	5.37	Family interests	Interests of spouse

Notes:

- (1) Mr. Xiangwen LIAO* resigned as a Director on 12 February 2026.
- (2) The share options under share option scheme were granted on 1 November 2023 and 40% of the share options granted shall be vested on 1 November 2025 and become exercisable from 1 November 2025 to 31 October 2028; 30% of the share options granted shall be vested on 1 November 2026 and become exercisable from 1 November 2026 to 31 October 2028 and 30% of the share options granted shall be vested on 1 November 2027 and become exercisable from 1 November 2027 to 31 October 2028. The 332,000 share options vested on 1 November 2025 have been cancelled on 31 December 2025.

Report of the Directors

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executives of the Company had any other interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Equity-Linked Agreements

No equity-linked agreements were entered into during the Year or subsisted at the end of the Year.

Arrangements to Acquire Shares or Debentures

Save as disclosed in the previous section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures”, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries, fellow subsidiaries or its parent company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such rights.

Directors’ Remuneration

The Directors’ fees are approved by Shareholders at the annual general meeting of the Company and the other emoluments payable to Executive Directors are determined by the Board based on the recommendation of the Remuneration Committee with reference to the prevailing market practice, the Company’s remuneration policy, the Directors’ duties and responsibilities within the Group and contribution to the Group.

Report of the Directors

Directors' Service Contracts

No Director proposed for re-election at the 2026 Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation). During the Year, among the Non-executive Directors (including Independent Non-executive Directors) appointed, all five Directors have no specific term of service but are subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Articles of Association, at least every three years.

Retirement and Pension Plan

To comply with the statutory requirements of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Group has set up the Mandatory Provident Fund Schemes ("MPF Schemes"). Mandatory contributions to these schemes are made by both the employers and employees at 5% of the employees' monthly relevant income capped at HK\$30,000. The PRC employees employed by the Group are members of the state-managed retirement benefit schemes operated by the PRC government. The Group are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. As at 31 December 2025, there were no forfeited contributions available to reduce future obligations. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year ended 31 December 2025 are RMB10,251,000 (year ended 31 December 2024: RMB8,280,000).

Management Contracts

Save as disclosed in this report, no contract of significance concerning the management and administration of the whole or any substantial part of any business of the Company was entered into during the Year or subsisted at the end of the Year.

Report of the Directors

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, so far is known to the Directors, the interests or short positions of substantial Shareholders of the Company (other than the Directors and the chief executives of the Company disclosed above) in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity	Number of Shares	Approximate % of total number of issued Shares
Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd ("SIICHIC") (深圳投控國際資本控股基建有限公司) ⁽ⁱ⁾	Beneficial owner	2,213,449,666 (L)	71.83
Shenzhen Expressway Company Limited (now known as Shenzhen Expressway Corporation Limited) (深圳高速公路股份有限公司 (現稱深圳高速公路集團股份有限公司)) ⁽ⁱ⁾	Interests of controlled corporation	2,213,449,666 (L)	71.83
Shenzhen International Holdings Limited (深圳國際控股有限公司) ⁽ⁱ⁾	Interests of controlled corporation	2,213,449,666 (L)	71.83
Shenzhen Investment Holdings Co., Ltd (深圳市投資控股有限公司) ⁽ⁱ⁾	Interests of controlled corporation	2,213,449,666 (L)	71.83
Golden Baycrest (BVI) Limited ⁽ⁱⁱ⁾	Beneficial owner	305,087,338 (L)	9.90
China Vanke Co., Limited (萬科企業股份有限公司) ⁽ⁱⁱ⁾	Interests of controlled corporation	305,087,338 (L)	9.90
CMF Global Quantitative Multi-Asset SPC — CMF Global Quantitative Stable SP ⁽ⁱⁱⁱ⁾	Trustee	291,207,411 (L)	9.45
China Taiping Life Insurance (Hong Kong) Company Limited ⁽ⁱⁱⁱ⁾	Beneficiary of a trust (other than a discretionary interest)	291,207,411 (L)	9.45
China Taiping Insurance Holdings Company Limited ⁽ⁱⁱⁱ⁾	Interests of controlled corporation	291,207,411 (L)	9.45

L: Long Position

Report of the Directors

Notes:

- (i) The 2,213,449,666 Shares were held by SIICHIC, an indirect wholly-owned subsidiary of Shenzhen Expressway which in turn was a subsidiary of Shenzhen International. Shenzhen International was indirectly owned as to 43.338% by SIHC. The interests of SIICHIC, Shenzhen Expressway, Shenzhen International and SIHC in the 2,213,449,666 Shares represented the same block of Shares and were deemed under the SFO to have same interests with each other.
- (ii) The 305,087,338 Shares were held by Golden Baycrest (BVI) Limited, an indirect wholly-owned subsidiary of China Vanke Co., Limited. The interests of Golden Baycrest (BVI) Limited and China Vanke Co., Limited in the 305,087,338 Shares represented the same block of Shares and were deemed under the SFO to have same interests with each other.
- (iii) China Taiping Life Insurance (Hong Kong) Company Limited is a direct wholly-owned subsidiary of China Taiping Insurance Holdings Company Limited which in turn is directly owned as to 53.23% by China Taiping Insurance Group (HK) Company Limited, 1.50% by Taiping Golden Win Investment Limited, 4.68% by Easiwell Limited and 1.84% by Manhold Limited. Taiping Golden Win Investment Limited, Easiwell Limited and Manhold Limited are wholly-owned by China Taiping Insurance Group (HK) Company Limited which in turn is a direct wholly-owned subsidiary of China Taiping Insurance Group Ltd. The interests of China Taiping Life Insurance (Hong Kong) Company Limited, China Taiping Insurance Holdings Company Limited and CMF Global Quantitative Multi-Asset SPC in the 291,207,411 Shares represented the same block of Shares.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other interests or short positions representing 5% or more of the total number of issued Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on pro-rata basis to existing Shareholders.

Tax Relief and Exemption

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holding of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

Report of the Directors

Connected Transactions and Continuing Connected Transactions

During the year, the Group conducted certain transactions with connected persons which constituted “connected transactions” or “continuing connected transactions” under the Listing Rules. Details of those transactions which are subject to the reporting requirements under Rule 14A.71 of the Listing Rules are summarised as follows:

(1) Connected Transaction and Continuing Connected Transaction — Compensation Agreement in relation to the Joint Operation of New Hezhou Toll Station

On 18 September 2023, the GS JV and Shenzhen Expressway entered into the compensation agreement (“Compensation Agreement (New Hezhou Toll Station)”), pursuant to which, it was agreed that (i) the GS JV and Shenzhen Expressway should jointly operate the New Hezhou Toll Station; (ii) Shenzhen Expressway should pay a one-off layout optimisation fee of RMB2,867,900 (inclusive of tax) to the GS JV (“Layout Optimisation Fee”); and (iii) Shenzhen Expressway should pay the operation management fees with an annual cap that shall not exceed RMB30,000,000 to the GS JV as compensation for the increased operation costs (“Operation Management Fee”) during the term of the Compensation Agreement (New Hezhou Toll Station).

Hezhou Toll Station is wholly owned by the GS JV and locates at the Hezhou Interchange of the GS Superhighway, while Huanghe Toll Station of the Jihe Expressway is wholly owned by Shenzhen Expressway. As part of the Coastal Phase II project, Shenzhen Expressway would dismantle Huanghe Toll Station and would build the Extended Toll Station to replace Huanghe Toll Station to collect tolls for travelling on the Jihe Expressway. For the purpose of accelerating the completion of the Coastal Phase II project, Shenzhen Expressway and the GS JV reached a consensus on the joint operation of the New Hezhou Toll Station which is combining the Hezhou Toll Station and the Extended Toll Station, and entered into the Compensation Agreement (New Hezhou Toll Station). The GS JV would be responsible for operation, management and toll collection of the New Hezhou Toll Station, and Shenzhen Expressway should thereby compensate the GS JV for the increased operation costs in accordance with the terms of the Compensation Agreement (New Hezhou Toll Station).

The entering into of the Compensation Agreement (New Hezhou Toll Station) was conducive to improving the GS JV’s overall management efficiency and operating capacity. The compensation from Shenzhen Expressway in accordance with the Compensation Agreement (New Hezhou Toll Station) could basically offset the increase in its operating costs, and would not increase the financial burden of the GS JV.

Report of the Directors

Shenzhen Expressway is the intermediate controlling Shareholder (as defined in the Listing Rules) of the Company holding 71.83% of the total issued share capital of the Company, accordingly a connected person of the Company under Chapter 14A of the Listing Rules. GS JV is a deemed subsidiary of the Company. The Layout Optimisation Fee was a one-off payment and the Operation Management Fees were continuous payment payable by Shenzhen Expressway to GS JV, therefore the transactions contemplated under the Compensation Agreement (New Hezhou Toll Station) constituted a connected transaction and continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the respective highest applicable percentage ratio for the Layout Optimisation Fee and annual cap for the Operation Management Fees as defined under Rule 14.07 of the Listing Rules exceeded 0.1% but all applicable percentage ratios were less than 5%, pursuant to Rule 14A.76 of the Listing Rules, the entering of the Compensation Agreement (New Hezhou Toll Station) by the GS JV and Shenzhen Expressway was exempt from the circular (including independent financial advice) and Shareholders' approval requirements and were only subject to the announcement and annual reporting requirements.

Under the Compensation Agreement (New Hezhou Toll Station), Shenzhen Expressway should pay the Operation Management Fees with an annual cap that should not exceed RMB30,000,000 to the GS JV as compensation for the increased operation costs during the term of the Compensation Agreement (New Hezhou Toll Station) (i.e. from 18 September 2023 until 17 September 2026). For the year ended 31 December 2025, the amount of fees paid and/or payable by the Shenzhen Expressway to the GS JV was RMB16,285,189.

The Directors (including the independent non-executive Directors) were of the view that the terms of the Compensation Agreement (New Hezhou Toll Station) and the proposed annual caps were fair and reasonable. The transactions contemplated under the Compensation Agreement (New Hezhou Toll Station) were on normal commercial terms or better as compared to those available from independent third parties under the prevailing market conditions, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

Details of the Compensation Agreement (New Hezhou Toll Station) in relation to the joint operation of New Hezhou Toll Station were set out in the announcement of the Company dated 18 September 2023.

Report of the Directors

(2) Continuing Connected Transaction — 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement

On 23 January 2025, the Coastal Company entered into the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement with the Engineering Development Company, pursuant to which the Engineering Development Company should provide the maintenance services to the Coastal Company for a term of six months commencing from 1 January 2025. The Company expected that the maximum amount to be paid by the Coastal Company to the Engineering Development Company for the maintenance services provided per year (“Annual Cap”) for the transactions contemplated under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement for the year ended 31 December 2025 should be in the amount not more than RMB22.96 million.

The Engineering Development Company had been providing the daily maintenance, electrical and mechanical maintenance and towing services to the Coastal Company before the completion of the Subscription in 2022 and possesses the relevant expertise and experience. By entering into the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, the Coastal Company would continue to enjoy the maintenance services provided by the Engineering Development Company and could ensure the smooth and stable maintenance of the Coastal Expressway (Shenzhen Section).

On 5 June 2025, the Coastal Company entered into the Supplemental Agreement with the Engineering Development Company to revise the existing Annual Cap having taken into account the reasons as further elaborated in the section headed “REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT AND BASIS FOR THE REVISED ANNUAL CAP” as set out in the announcement of the Company dated 5 June 2025, the Group expected that existing Annual Cap would be insufficient. Save for the revision of the existing Annual Cap, all other terms and conditions under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement remained unchanged.

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Engineering Development Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding approximately 71.83% of the total issued share capital of the Company) and therefore a connected person of the Company, the transactions contemplated under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the Supplemental Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Report of the Directors

Pursuant to Rule 14A.54 of the Listing Rules, since the Company proposed to revise the existing Annual Cap, the Company was required to re-comply with the relevant requirements of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

Under the Supplemental Agreement, the Coastal Company should pay to the Engineering Development Company with an annual cap of approximately RMB23.79 million (the “Revised Annual Cap”).

As the highest applicable percentage ratio in respect of the Revised Annual Cap exceeded 0.1% but all applicable percentage ratios were less than 5%, the transactions contemplated under the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the Supplemental Agreement were exempt from the circular (including independent financial advice) and independent Shareholders’ approval requirements and were only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) considered that the entering into the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the Supplemental Agreement provided the Coastal Company with secured and reliable maintenance services, and were of the view that (i) the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the Supplemental Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and no less favourable than those available to or from independent third parties, and (ii) the terms of the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the Supplemental Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

For the year ended 31 December 2025, the amount of fees paid and/or payable by the Coastal Company to the Engineering Development Company was RMB23,742,000.

Details of the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the Supplemental Agreement were set out in the announcements of the Company dated 23 January 2025 and 5 June 2025 respectively.

Report of the Directors

(3) Connected Transaction and Major Transaction — Capital Increase Agreement

On 24 January 2025, Hopewell China Development (a non wholly-owned subsidiary of the Company) and Guangdong Highway Construction entered into the Capital Increase Agreement, pursuant to which, Hopewell China Development and Guangdong Highway Construction agreed to contribute, by way of registered capital, RMB3,285 million and RMB4,015 million, respectively, to GSZ Company (a deemed subsidiary of the Company). Upon Completion of the Capital Contribution Matters, Hopewell China Development and Guangdong Highway Construction would hold 45% and 55% equity interests in GSZ Company respectively.

The investment, construction, operation and maintenance of expressways is the Group's principal businesses. The entering into of the Capital Increase Agreement provides necessary funding sources of implementing the Approved GZ-DG Road Section R&E Project. The implementation of the Approved GZ-DG Road Section R&E Project would help enhance the traffic capacity and service level of the Approved GZ-DG Road Section, and strengthen the Group's core competitiveness in the toll road industry, which was in line with its development strategy.

As Guangdong Highway Construction, being a substantial shareholder of GSZ Company, is a connected person of the Company at the subsidiary level, the Capital Increase Agreement and the transactions contemplated thereunder constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. However, as (i) the Board had approved the Capital Increase Agreement; and (ii) the independent non-executive Directors had confirmed that the terms of the Capital Increase Agreement were fair and reasonable, the transactions were entered into on normal commercial terms, and in the interests of the Company and its Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Capital Increase Agreement and the transactions contemplated thereunder were only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratio(s) under the Listing Rules exceeded 25% but were less than 100%, the Capital Increase Agreement and the transactions contemplated thereunder constituted a major transaction for the Company. Accordingly, the Company was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Report of the Directors

A written Shareholders' approval had been obtained from SIICHIC for the approval of the Capital Increase Agreement pursuant to Rule 14.44 of the Listing Rules on 24 January 2025. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve the Capital Increase Agreement and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Capital Increase Agreement were set out in the circular of the Company dated 28 February 2025.

(4) Connected Transaction — Lease Agreement

On 16 May 2025, a lease agreement (the "Lease Agreement") was entered into between Shenwan Infrastructure (as lessee), an indirect non-wholly owned subsidiary of the Company, and Shenzhen Expressway (as lessor), the intermediate holding company of the Company, in respect of the lease of premises at 2/F (portion), entire 3/F and 4/F (portion), Jiangsu Building, Futian District, Shenzhen, PRC (中國深圳市福田區江蘇大廈裙樓二樓(部份)、三樓(整層)及四樓(部份)) (the "Premises") with a gross floor area of 3,610 square metres for a term of three years and six months commencing from 1 June 2025 and expiring on 31 December 2028, with rental of RMB559,550 per month (inclusive of tax). The Premises will be used as office premises of the Group in Shenzhen, PRC.

The Group has leased 2-4/F, Jiangsu Building, Futian District, Shenzhen, PRC (中國深圳市福田區江蘇大廈裙樓二樓至四樓) from Shenzhen Expressway for use as the Group's office premises since June 2022. Since the lease agreement entered on 31 May 2022 (the "2022 Lease Agreement") was expiring on 31 May 2025, the Board believed that entering into of the Lease Agreement would enable the Group continue to use same address of 2022 Lease Agreement in order to secure a long-term premises for office use which would provide a stable working environment to the Group's employees, avoid unnecessary disruption to the Group's business operation, enhance working efficiency and at the same time minimise any unnecessary relocation costs of the Group.

Shenzhen Expressway is the intermediate holding company and a substantial shareholder of the Company and thus a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Lease Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Report of the Directors

According to HKFRS 16 “Leases”, the Group, as the lessee, is required to recognise the lease as right-of-use assets and lease liabilities in the consolidated statement of financial position of the Group. As such, entering into the Lease Agreement would be regarded as acquisitions of assets under the Listing Rules. The unaudited aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement was estimated to be approximately RMB21.40 million.

As the highest of the applicable percentage ratios in respect of the estimated aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement was more than 0.1% but less than 5%, the Lease Agreement was subject to the reporting and announcement requirements but were exempt from the circular (including independent financial adviser) and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) were of the view that the Lease Agreement was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm’s length negotiations between the parties; and (iii) on terms that were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Details of the Lease Agreement were set out in the announcement of the Company dated 16 May 2025.

(5) Connected and Discloseable Transaction — Entrusted Construction Management Agreement (Xinlian Interchange)

On 13 June 2025, GSZ Company entered into the Entrusted Construction Management Agreement (Xinlian Interchange) with Guangdong Bay Area Transportation Construction Investment Co., Ltd. (廣東灣區交通建設投資有限公司) (the “Guangdong Bay Area Transportation”) and Dongguan Luqiao Investment Construction Company Limited* (東莞市路橋投資建設有限公司) (the “Dongguan Luqiao”), pursuant to which, GSZ Company and Guangdong Bay Area Transportation mutually entrust Dongguan Luqiao to provide construction and management services for their respective portions in the Xinlian Interchange, of which GSZ Company was responsible for a consideration of approximately RMB354.86 million.

On the same day, GSZ Company and Dongguan Luqiao also entered into the Joint Construction Management Agreement (Wudianmei Interchange), pursuant to which, the parties mutually entrusted each other to provide construction and management services for their respective portions in the Wudianmei Interchange, of which GSZ Company was responsible for a consideration of approximately RMB150.16 million.

Report of the Directors

The Xinlian Interchange is an interchange hub, connecting the Approved GZ-DG Road Section R&E Project, the Shiziyang Project and the CH and Humen Port Phase I R&E Project. A unified design, management, and construction in the reconstruction projects of Wudianmei Interchange and Xinlian Interchange facilitated the orderly progress of the Construction Projects Connecting Wudianmei Interchange and the Construction Projects Connecting Xinlian Interchange.

As Xinlian Interchange is mainly located within the boundary of Changping-Humen Expressway and four of the eight public ramps of the Wudianmei Interchange are closely connected with the CH R&E Project which is invested by Dongguan Luqiao, based on the principle of convenience in construction organisation and in accordance with the guidelines issued by the relevant government authorities, GSZ Company had entrusted the construction and management of the GSZ Company's Portion of Wudianmei Interchange Project and GSZ Company's Portion of Xinlian Interchange Project to Dongguan Luqiao. Furthermore, Dongguan Luqiao is experienced in the construction and maintenance of expressways and bridges, and is an indirect wholly-owned subsidiary of the Dongguan People's Government State-owned Assets Supervision and Administration Commission* (東莞市人民政府國有資產監督管理委員會), ensuring the quality and orderly execution of the reconstruction projects of Wudianmei Interchange and Xinlian Interchange.

Although all of the applicable percentage ratios in respect of the transactions contemplated under the Joint Construction Management Agreement (Wudianmei Interchange) payable by GSZ Company were less than 5% on a standalone basis, since GSZ Company entered with Dongguan Luqiao in each of (i) the Joint Construction Management Agreement (Wudianmei Interchange) and (ii) the Entrusted Construction Management Agreement (Xinlian Interchange), the Construction Management Agreements should be aggregated as a single transaction pursuant to Rules 14.22 and 14.23 of the Listing Rules. The total aggregate amount payable by GSZ Company under the Construction Management Agreements was approximately RMB505.02 million.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Construction Management Agreements payable by GSZ Company, on an aggregated basis, exceeded 5% but all of them were less than 25%, the entering into of and the transactions contemplated under the Construction Management Agreements constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and were therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Report of the Directors

Further, Guangdong Bay Area Transportation is a connected person of the Company at the subsidiary level since Guangdong Highway Construction (the substantial shareholder of GSZ Company) is a controlling shareholder of Guangdong Bay Area Transportation, the entering into of and the transactions contemplated under the Entrusted Construction Management Agreement (Xinlian Interchange) constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) had approved the Entrusted Construction Management Agreement (Xinlian Interchange) and confirmed that the terms thereunder were fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Entrusted Construction Management Agreement (Xinlian Interchange) were subject to reporting and announcement requirements but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors had any interest in the Entrusted Construction Management Agreement (Xinlian Interchange) or was required to abstain from voting on the same at the relevant meeting of the Board.

Details of the Joint Construction Management Agreement (Wudianmei Interchange) and the Entrusted Construction Management Agreement (Xinlian Interchange) were set out in the announcement of the Company 13 June 2025.

(6) Continuing Connected Transaction — 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement

After certain open tendering and bidding processes conducted through Shenzhen Sunshine Procurement Platform, on 30 June 2025, the Coastal Company entered into the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement with the Engineering Development Company, pursuant to which and subject to the terms therein, the Engineering Development Company should provide the maintenance services to the Coastal Company for a term of three years commencing from 1 July 2025, being the date specified in the site entry notice.

The Engineering Development Company had been providing services such as daily maintenance, electrical and mechanical maintenance, towing and rescuing services to the Coastal Company and possesses the relevant expertise and experience. By entering into the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, the Coastal Company would continue to enjoy the maintenance services provided by the Engineering Development Company and can ensure the smooth and stable maintenance of the Coastal Expressway (Shenzhen Section).

Report of the Directors

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) considered that the entering into of the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement would provide the Coastal Company with secured and reliable maintenance services, and was of the view that (i) the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and no less favourable than those available to or from independent third parties, and (ii) the terms of the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Engineering Development Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding 71.83% of the total issued share capital of the Company) and therefore a connected person of the Company, the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps, on an annual basis, exceeded 0.1% but all applicable percentage ratios were less than 5%, the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the transactions contemplated thereunder were exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and were only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Under the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, the provision of the maintenance services by the Engineering Development Company to the Coastal Company should not exceed the proposed annual caps of approximately RMB7.07 million, approximately RMB14.13 million, approximately RMB14.13 million and approximately RMB7.07 million for the period commencing from 1 July 2025 and ending on 31 December 2025, for the year ending 31 December 2026, for the year ending 31 December 2027 and for the period commencing from 1 January 2028 and ending on 30 June 2028 respectively. For the period commencing from 1 July 2025 and ended on 31 December 2025, the actual amount of fees paid by the Coastal Company to the Engineering Development Company was RMB7,048,000.

Details of the 2025-2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement were set out in the announcement of the Company 30 June 2025.

Report of the Directors

(7) Continuing Connected Transaction — 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement

On 25 July 2025, the Coastal Company entered into the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement with the Operation Development Company, pursuant to which the Operation Development Company should provide the operation and maintenance management services to the Coastal Company for a term of commencing from 26 July 2025 and expiring on 31 December 2027.

The Operation Development Company had been providing the operation and maintenance management services to the Coastal Company before the completion of the Subscription in 2022 and the expiry of the previous services agreement and possesses the relevant expertise and experience. By entering into the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement, the Coastal Company would continue to enjoy the operational and maintenance management services for Coastal Expressway (Shenzhen Section) provided by the Operation Development Company and could ensure the smooth and stable operation and maintenance of the Coastal Expressway (Shenzhen Section).

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) considered that (i) the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and (ii) the terms of the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Operation Development Company is an indirect wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding approximately 71.83% of the total issued shares of the Company) and therefore a connected person of the Company, the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Report of the Directors

As the highest applicable percentage ratio in respect of the proposed annual caps, on an annual basis, exceeded 0.1% but all applicable percentage ratios were less than 5%, the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement and the transactions contemplated thereunder were exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and were only subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules.

Under the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement, the provision of the operation and maintenance management services by the Operation Development Company to the Coastal Company should not exceed the proposed annual caps of RMB7,276,639, RMB20,027,323 and RMB20,628,142 for the period commencing from 26 July 2025 and ending on 31 December 2025, for the year ending 31 December 2026 and for the year ending 31 December 2027 respectively. For the period commencing from 26 July 2025 and ended on 31 December 2025, the actual amount of fees paid by the Coastal Company to the Operation Development Company was RMB4,931,000.

Details of the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement were set out in the announcements of the Company 25 July 2025 and 25 August 2025 respectively.

(8) Continuing Connected Transaction — 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement

After certain open tendering and bidding processes conducted through Shenzhen Sunshine Procurement Platform, on 29 July 2025, the Coastal Company entered into the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement with the Guangdong Qizhen Highway Engineering Limited* (廣東啟振公路工程有限公司) (the "Qizhen Engineering Company"), pursuant to which and subject to the terms therein, the Qizhen Engineering Company should provide the repair services to the Coastal Company for a term of three years commencing from 30 July 2025, being the date specified in the site entry notice.

SZ Expressway Group had been providing services such as daily maintenance, electrical and mechanical maintenance, towing and rescuing services to the Coastal Company which also include the repair services. The Qizhen Engineering Company is specialised in highway repair business and possesses the relevant expertise and qualification. By entering into the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement, the Coastal Company would continue to enjoy the consistent repair services provided by SZ Expressway Group and could ensure the smooth and normal operation of the Coastal Expressway (Shenzhen Section).

Report of the Directors

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Qizhen Engineering Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding approximately 71.83% of the total issued shares of the Company) and therefore a connected person of the Company, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps, on an annual basis, exceeded 0.1% but all applicable percentage ratios were less than 5%, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder were exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and were only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement, the provision of the Repair Services by the Qizhen Engineering Company to the Coastal Company should not exceed the proposed annual caps of approximately RMB6.50 million, approximately RMB12.99 million, approximately RMB12.99 million and approximately RMB6.50 million for the period commencing from 30 July 2025 and ending on 31 December 2025, for the year ending 31 December 2026, for the year ending 31 December 2027 and for the period commencing from 1 January 2028 and ending on 29 July 2028 respectively. For the period commencing from 30 July 2025 and ended on 31 December 2025, the actual amount of fees paid by the Coastal Company to the Qizhen Engineering Company was RMB6,470,000.

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) considered that (i) the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and (ii) the terms of the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details of the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement were set out in the announcement of the Company 29 July 2025.

Report of the Directors

(9) Connected and Discloseable Transaction — Mechanical and Electrical Engineering Construction Agreement (JD1 Section)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 26 September 2025 (after trading hours), GSZ Company entered into the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) with Guangdong Xinyue Transportation Investment Co., Ltd.* (廣東新粵交通投資有限公司) (the “Guangdong Xinyue”) for the mechanical and electrical engineering construction works in connection with the Approved GZ-DG Road Section R&E Project at a contract price of RMB422,290,446.

Guangdong Xinyue (as the contractor) should undertake the construction of toll systems, surveillance systems, and communication systems, communication pipeline engineering and lead the overall joint debugging and testing of the electromechanical system of the road section starting from K2+270 and ending at K71+130.658 (excluding the scope of Luogang Interchange, Xintang Interchange, Huocun and Xinlian Interchange Hub) with a total length of approximately 68.861km.

The investment, construction, operation and maintenance of expressways is one of the Group’s principal businesses. The entering into of the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) was a part of the implementation of the Approved GZ-DG Road Section R&E Project. The implementation of Approved GZ-DG Road Section R&E Project would help to enhance the traffic capacity and service level of the Approved GZ-DG Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which was in line with the development strategy of the Group.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) exceeded 5% but all of them were less than 25%, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) constituted a discloseable transaction for the Company and were therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Given that Guangdong Xinyue is indirectly wholly owned by GPCG, which is the holding company of Guangdong Highway Construction (the substantial shareholder of GSZ Company), Guangdong Xinyue is an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section), therefore, also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Report of the Directors

The Directors (including the independent non-executive Directors) had approved the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) and confirmed that the terms thereunder were fair and reasonable, the transaction was on normal commercial terms, and the entering into of the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) was in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) were only subject to reporting and announcement requirements but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) were set out in the announcement of the Company dated 26 September 2025.

(10) Connected and Major Transaction — SZ Construction Works Agreement (TJ2 Section)

After the open tender and bidding process conducted through Guangzhou Public Resources Trading Center, GSZ Company selected Poly Changda as the winning bidder and entered into the SZ Construction Works Agreement (TJ2 Section) with it on 18 December 2025. Pursuant to the SZ Construction Works Agreement (TJ2 Section), Poly Changda agreed to undertake construction works of SZ TJ2 Section in connection with the Approved SZ Road Section R&E Project at the contract fee of RMB1,447,779,999.

Poly Changda (as the contractor) should undertake the civil engineering construction works of road section starting from K75+605.341 and ending at K80+545.576 of the Approved SZ Road Section with a total length of approximately 4.94 km located in Bao'an District, Shenzhen.

The entering into of the SZ Construction Works Agreement (TJ2 Section) was a part of the implementation of the Approved SZ Road Section R&E Project. The implementation of Approved SZ Road Section R&E Project would help to enhance the traffic capacity and service level of the Approved SZ Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which was in line with the development strategy of the Group.

Report of the Directors

As the highest applicable percentage ratio in respect of the transactions contemplated under the SZ Construction Works Agreement (TJ2 Section) exceeded 25% but was less than 100%, the transactions contemplated under the SZ Construction Works Agreement (TJ2 Section) constituted a major transaction of the Company and were therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that Poly Changda is an associate of Guangdong Highway Construction, the substantial shareholder of GSZ Company and thus a connected person at the subsidiary level of the Company, the transactions contemplated under the SZ Construction Works Agreement (TJ2 Section) also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

In respect of Chapter 14A of the Listing Rules, given the Directors (including all the independent non-executive Directors) had approved the SZ Construction Works Agreement (TJ2 Section) and confirmed that the terms thereunder were fair and reasonable, the transaction was on normal commercial terms, and the entering into of the SZ Construction Works Agreement (TJ2 Section) was in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole, the SZ Construction Works Agreement (TJ2 Section) and the transactions contemplated thereunder would only be subject to the reporting and announcement requirements, but exempt from independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of the SZ Construction Works Agreement (TJ2 Section) pursuant to Rule 14.44 of the Listing Rules on 18 December 2025. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve the SZ Construction Works Agreement (TJ2 Section) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the SZ Construction Works Agreement (TJ2 Section) were set out in the announcement of the Company dated 18 December 2025 and circular of the Company dated 23 January 2026.

Report of the Directors

(11) Connected and Discloseable Transaction — LG Construction Works Agreement (TJ1 Section)

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, GSZ Company selected Poly Changda as the winning bidder and entered into the LG Construction Works Agreement (TJ1 Section) with it on 29 December 2025. Pursuant to the LG Construction Works Agreement (TJ1 Section), Poly Changda agreed to undertake construction works of LG TJ1 Section in connection with the Luogang Interchange Reconstruction Project at the contract fee of RMB775,186,668.

Poly Changda (as the contractor) should undertake the construction of roadbed, pavement, bridges, tunnels, pile foundations and caps of the superstructure, traffic safety facilities, and utility lines relocation works of the road section which starts from K13+200 to K15+650, with a total length of approximately 2.456 km (namely the LG TJ1 Section) in the Luogang Interchange Reconstruction Project.

The entering into of the LG Construction Works Agreement (TJ1 Section) was a part of the implementation of the Luogang Interchange Reconstruction Project approved by Guangdong Provincial Development and Reform Commission on 9 March 2022. Luogang Interchange is one of the interchange connections along Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway. The implementation of the Luogang Interchange Reconstruction Project would help to enhance the traffic capacity and service level of Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway, and strengthen the core competitiveness of the Group in the toll road industry, which was in line with the development strategy of the Group.

As the highest applicable percentage ratio in respect of the transactions under the LG Construction Works Agreement (TJ1 Section) exceeded 5% but was less than 25%, the transactions contemplated under the LG Construction Works Agreement (TJ1 Section) constituted a discloseable transaction of the Company and were therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Given that Poly Changda is an associate of Guangdong Highway Construction, the substantial shareholder of GSZ Company and thus a connected person at the subsidiary level of the Company, the transactions contemplated under the LG Construction Works Agreement (TJ1 Section) also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Report of the Directors

In respect of Chapter 14A of the Listing Rules, given the Directors (including all the independent non-executive Directors) had approved the LG Construction Works Agreement (TJ1 Section) and confirmed that the terms thereunder were fair and reasonable, the transaction was on normal commercial terms, and the entering into of the LG Construction Works Agreement (TJ1 Section) was in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole, the LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder would only be subject to the reporting and announcement requirements, but exempt from independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Details of the LG Construction Works Agreement (TJ1 Section) were set out in the announcement of the Company dated 29 December 2025.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions and have confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), 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 Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor had issued his unqualified letter containing their findings and conclusions in respect of the existing continuing connected transactions disclosed by the Group on pages 84 to 96 of this annual report in accordance with the Listing Rule 14A.56. The auditor had reported its findings and conclusions to the Board.

Save as disclosed above, a summary of related party transactions made during the year, which included the above connected transactions and continuing connected transactions of the Company, is disclosed in note 33 to the consolidated financial statements. Save for the transactions disclosed above, none of these related party transactions constitutes connected transaction or continuing connected transaction that is subject to, among other things, reporting, announcement or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. To the extent that the Group's related party transactions constitute connected transactions or continuing connected transactions as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the year.

Report of the Directors

Discloseable Transaction

(1) Structural Steel Fabrication Agreement (G1 Bid Section)

After certain open tendering and bidding processes conducted through Guangzhou Public Resources Trading Center, on 17 January 2025, GSZ Company entered into the Structural Steel Fabrication Agreement (G1 Bid Section) with Jiangsu Huning Steel Structure & Machinery Co., Ltd.* (江蘇滬寧鋼機股份有限公司) (“Jiangsu Huning”) for the structural steel fabrication for bridges in connection with the Approved GZ-DG Road Section R&E Project with a contract price of RMB553,021,303. Jiangsu Huning should undertake the structural steel fabrication for bridges (including ramp bridges, excluding upper-level viaduct from Taiping to Wudianmei) on road section starting from K2+270 and ending at K71+130.658 of the Approved GZ-DG Road Section with an estimated weight of 48,000 tonnes.

The entering into of the Structural Steel Fabrication Agreement (G1 Bid Section) was a part of the implementation of the Approved GZ-DG Road Section R&E Project. The implementation of Approved GZ-DG Road Section R&E Project would help to enhance the traffic capacity and service level of the Approved GZ-DG Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which was in line with the development strategy of the Group.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under Structural Steel Fabrication Agreement (G1 Bid Section) exceeded 5% but all of them were less than 25%, the entering into of and the transactions contemplated under the Structural Steel Fabrication Agreement (G1 Bid Section) constituted a discloseable transaction of the Company and were therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Details of the Structural Steel Fabrication Agreement (G1 Bid Section) were set out in the announcement of the Company dated 17 January 2025.

Report of the Directors

(2) Joint Construction Management Agreement (Wudianmei Interchange)

On 13 June 2025, GSZ Company and Dongguan Luqiao entered into the Joint Construction Management Agreement (Wudianmei Interchange), pursuant to which, the parties mutually entrusted each other to provide construction and management services for their respective portions in the Wudianmei Interchange, of which GSZ Company was responsible for a consideration of approximately RMB150.16 million.

On the same day, GSZ Company also entered into the Entrusted Construction Management Agreement (Xinlian Interchange) with Guangdong Bay Area Transportation and Dongguan Luqiao, pursuant to which, GSZ Company and Guangdong Bay Area Transportation mutually entrusted Dongguan Luqiao to provide construction and management services for their respective portions in the Xinlian Interchange, of which GSZ Company was responsible for a consideration of approximately RMB354.86 million.

The Wudianmei Interchange is an interchange hub connecting the Approved GZ-DG Road Section R&E Project, the CH R&E Project and the CH Extension Project. A unified design, management, and construction in the reconstruction projects of Wudianmei Interchange facilitated the orderly progress of the Construction Projects Connecting Wudianmei Interchange.

Although all of the applicable percentage ratios in respect of the transactions contemplated under the Joint Construction Management Agreement (Wudianmei Interchange) payable by GSZ Company were less than 5% on a standalone basis, since GSZ Company entered with Dongguan Luqiao into each of (i) the Joint Construction Management Agreement (Wudianmei Interchange) and (ii) the Entrusted Construction Management Agreement (Xinlian Interchange), the Construction Management Agreements should be aggregated as a single transaction pursuant to Rules 14.22 and 14.23 of the Listing Rules. The total aggregate amount payable by GSZ Company under the Construction Management Agreements was approximately RMB505.02 million.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Construction Management Agreements payable by GSZ Company, on an aggregated basis, exceeded 5% but all of them were less than 25%, the entering into of and the transactions contemplated under the Construction Management Agreements constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and were therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Report of the Directors

Details of the Joint Construction Management Agreement (Wudianmei Interchange) and the Entrusted Construction Management Agreement (Xinlian Interchange) were set out in the announcement of the Company 13 June 2025.

(3) Entrusted Construction Management Agreement (Huocun Interchange)

On 16 June 2025 (after trading hours), GSZ Company entered into the Entrusted Construction Management Agreement (Huocun Interchange) to engage Guangzhou North Second Ring Transport Technology Company Limited* (廣州市北二環交通科技有限公司) (“Guangzhou North Second Ring Company”) to provide construction and management services for the GSZ Company’s Portion of Huocun Interchange Project with a consideration of no more than RMB536,170,000.

Guangzhou North Second Ring Company was entrusted by GSZ Company to construct and manage the GSZ Company’s Portion of Huocun Interchange Project on its behalf. In particular, Guangzhou North Second Ring Company was responsible for the organisation and implementation of the entire process of construction management, which included, but not limited to, project surveying and design, land acquisition and demolition, pipeline relocation, supervision, construction, consulting, delivery and acceptance, completion and acceptance, and maintenance during the defect liability period, etc. as well as project quality management, schedule management, safety management, and cost management, etc..

The Huocun Interchange is an interchange hub connecting the Approved GZ-DG Road Section R&E Project and the Guangzhou North Second Ring R&E Project. A unified design, management, and construction of the Huocun Interchange reconstruction project would facilitate the orderly progress of the R&E Projects. Based on the principle of convenience in construction organisation and in accordance with the guidelines of relevant governmental authorities, the GSZ Company’s Portion of Huocun Interchange Project had been entrusted to the Guangzhou North Second Ring Company for construction and management. Additionally, Guangzhou North Second Ring Company is an indirect non-wholly owned subsidiary of Yuexiu Transport Infrastructure Limited, which is a group with extensive experience in the construction, operation and management of expressways, which could help ensuring the quality and orderly execution of the Huocun Interchange reconstruction project.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Entrusted Construction Management Agreement (Huocun Interchange) exceeded 5% but all of them were less than 25%, the entering into of and the transactions contemplated under the Entrusted Construction Management Agreement (Huocun Interchange) constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and were therefore subject to the reporting and announcement requirements but exempt from the Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Report of the Directors

Details of the Entrusted Construction Management Agreement (Huocun Interchange) were set out in the announcement of the Company dated 16 June 2025.

(4) Mechanical and Electrical Engineering Construction Agreement (JD2 Section)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 26 September 2025, GSZ Company entered into the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) entered into with Beijing GK Feida Traffic Engineering Co., Ltd.* (北京公科飛達交通工程發展有限公司) (the “Beijing GK Feida”) for the mechanical and electrical engineering construction works in connection with the Approved GZ-DG Road Section R&E Project at a contract price of RMB288,964,259.

Beijing GK Feida (as the contractor) should undertake the construction of power supply and distribution (including external power supply) and lighting systems of the road section starting from K2+270 and ending at K71+130.658 (excluding the scope of Luogang Interchange, Xintang Interchange, Huocun and Xinlian Interchange Hub) with a total length of approximately 68.861km.

The entering into of the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) was a part of the implementation of the Approved GZ-DG Road Section R&E Project. The implementation of Approved GZ-DG Road Section R&E Project would help to enhance the traffic capacity and service level of the Approved GZ-DG Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which was in line with the development strategy of the Group.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) exceeded 5% but all of them were less than 25%, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) constituted a discloseable transaction for the Company and were therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Details of the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) were set out in the announcement of the Company dated 26 September 2025.

Report of the Directors

Major Transaction

(1) Structural Steel Fabrication Agreement (G2 Bid Section)

After certain open tendering and bidding processes conducted through Guangzhou Public Resources Trading Center, on 17 January 2025, GSZ Company entered into the Structural Steel Fabrication Agreement (G2 Bid Section) entered into with China Railway Shanhaiguan Bridge Group Co., Ltd. (“China Railway Shanhaiguan Bridge”) for the structural steel fabrication for bridges in connection with the Approved GZ-DG Road Section R&E Project with a contract price of RMB874,792,356. China Railway Shanhaiguan Bridge should undertake the structural steel fabrication for bridges of upper-level viaduct from Taiping to Wudianmei on road section starting from KSK59+958 and ending at KSK63+731 of the Approved GZ-DG Road Section with an estimated weight of 72,000 tonnes.

The entering into of the Structural Steel Fabrication Agreement (G2 Bid Section) was a part of the implementation of the Approved GZ-DG Road Section R&E Project. The implementation of Approved GZ-DG Road Section R&E Project would help to enhance the traffic capacity and service level of the Approved GZ-DG Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which was in line with the development strategy of the Group.

Reference was made to the announcement of the Company dated 8 October 2024 in relation to the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) and the transactions contemplated thereunder. GSZ Company entered into the Construction Works Agreement (TJ7 Bid Section) (“Previous Agreement”) with China Railway No. 4 Engineering Group Co., Ltd.* (中鐵四局集團有限公司) (“China Railway No. 4 Engineering”) (a wholly owned subsidiary of China Railway Group Limited (“CREC”)) at a contract price of approximately RMB824,580,835.

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all entered into within a 12-month period or were otherwise related.

Given that the Structural Steel Fabrication Agreement (G2 Bid Section) was entered into with China Railway Shanhaiguan Bridge which was 49% owned by CREC and China Railway No. 4 Engineering (the counterparty of the Previous Agreement) was a wholly owned subsidiary of CREC, the Previous Agreement and Structural Steel Fabrication Agreement (G2 Bid Section) were entered into with parties connected or otherwise associated with each other and were similar in nature. Accordingly, such two transactions should be aggregated.

Report of the Directors

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under the Structural Steel Fabrication Agreement (G2 Bid Section) exceeded 5% but was less than 25% on a standalone basis, the highest applicable percentage ratio in respect of the transactions contemplated under the Previous Agreement and Structural Steel Fabrication Agreement (G2 Bid Section), on an aggregated basis, exceeded 25% but was less than 100%. As such, the entering into of and the transactions contemplated under the Structural Steel Fabrication Agreement (G2 Bid Section) constituted a major transaction of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A written Shareholders' approval had been obtained from SIICHIC for the approval of the Structural Steel Fabrication Agreement (G2 Bid Section) pursuant to Rule 14.44 of the Listing Rules on 17 January 2025. As at the date of such approval, SIICHIC held 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company. As a result, no general meeting was required to be convened by the Company to approve the Structural Steel Fabrication Agreement (G2 Bid Section) and the transactions contemplated thereunder under Chapter 14 of the Listing Rules.

Details of the Structural Steel Fabrication Agreement (G2 Bid Section) were set out in the announcement of the Company dated 17 January 2025 and circular of the Company dated 25 February 2025.

Events After The Reporting Year

Save as (i) the announcement of the Company dated 4 February 2026 in relation to the discloseable transaction in respect of the subscription of the structured deposit product; (ii) the announcement of the Company dated 12 February 2026 in relation to the change of chairman of the Board; appointment of non-executive Director; and change in composition of the Board committees; and (iii) the announcement of the Company dated 24 February 2026 in relation to the discloseable transaction in respect of the subscription of the structured deposit product, there were no other significant events after the end of the reporting period and up to the approval date of this report.

Report of the Directors

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is sufficient public float of more than 25% of the Company's total number of issued Shares as required under the Listing Rules.

Auditor

At the annual general meeting of the Company held on 19 May 2023, Messrs. Deloitte Touche Tohmatsu retired as the auditor of the Company and Messrs. KPMG was appointed as the new auditor of the Company. KPMG shall retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint Messrs. KPMG as auditor of the Company will be proposed at the 2026 Annual General Meeting.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yu Lung CHING (chairman), Mr. Tony Chung Nin KAN and Mr. Peng XUE*. This annual report has been reviewed by the Audit Committee.

Corporate Governance

The Group is committed to maintaining a high level of corporate governance practices. A detailed Corporate Governance Report is set out on pages 51 to 74 of this annual report.

On behalf of the Board

Jianming WU*

Chairman

Hong Kong, 18 March 2026

* *For identification purpose only*

Independent Auditor's Report



To the shareholders of Shenzhen Investment Holdings Bay Area Development Company Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”) and its subsidiaries (“the Group”) set out on pages 115 to 188, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 Hong Kong Institute of Certified Public Accountants (“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”), as applicable to audits of financial statements of public interest entities. We have also 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.

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.

Independent Auditor's Report

Key audit matters (continued)

Amortisation of concession intangible assets of the Group

Refer to note 16 to the consolidated financial statements and the accounting policy in note 3(g).

The key audit matter

As at 31 December 2025, the carrying amount of the Groups' concession intangible assets is RMB5,390,752,000.

Amortisation of the intangible assets is calculated based on units-of-usage basis, whereby amortisation is provided based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the period (the "operating period") for which the Group has been granted the right to operate the toll road (the "Traffic Flow Amortisation Method"). The management has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The management also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist. Based on these studies, the management will make the appropriate accounting adjustments, if necessary.

We identified the amortisation of concession intangible assets of the Group as a key audit matter because significant judgements are required in the estimation of total projected traffic volume which has an impact on the carrying value of the concession intangible assets as at year end and amortisation charges for the current and future years.

How the matter was addressed in our audit

Our audit procedures to the amortisation of concession intangible assets included the following:

- understanding and assessing the design and implementation of key internal controls related to the amortisation of concession intangible assets;
- assessing the capabilities, experience and competence of the third party traffic consultant engaged by the Group to estimate the traffic volume;
- evaluating management's estimated unit amortisation charged derived from the Traffic Flow Amortisation Method, which included comparing projected traffic volumes with the historical actual results, and evaluating the appropriateness of the assumptions including the annual growth rate of the traffic volume, the change of the transportation network of the region and government policies relating to the toll roads operation in Chinese Mainland;
- validating the accuracy of the data on the traffic volume employed by the management in calculating the amortisation of the concession intangible assets of the Group and recalculating the amortisation of the concession intangible assets of the Group to verify the amount for accuracy; and
- assessing the disclosures of amortisation and the changes in accounting estimates of the concession intangible assets with reference to the requirements of the prevailing accounting standards.

Independent Auditor's Report

Key audit matters (continued)

Amortisation of concession intangible assets of the joint ventures ("JVs")

Refer to note 18 to the consolidated financial statements and the accounting policy in note 3(g).

The key audit matter

As at 31 December 2025, the interest in JVs was RMB5,667,595,000 and the share of results of JVs for the year ended 31 December 2025 amounted to RMB557,114,000. Included in the share of results of JVs, there was an amortisation of concession intangible assets of the JVs shared by the Group amounting to RMB649,961,000 for the year ended 31 December 2025.

Amortisation of the intangible assets is calculated based on units-of-usage basis, whereby amortisation is provided based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the period (the "operating period") for which the JV has been granted the right to operate the toll road (the "Traffic Flow Amortisation Method"). The management has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The management also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist. Based on these studies, the management will make the appropriate accounting adjustments, if necessary.

We identified the amortisation of concession intangible assets of the JVs as a key audit matter because significant judgements are required in the estimation of total projected traffic volume which has an impact on the carrying value of the concession intangible assets as at year end and amortisation charges for the current and future years.

How the matter was addressed in our audit

Our audit procedures to the amortisation of concession intangible assets of the JVs included the following:

- understanding and assessing the design and implementation of key internal controls related to the amortisation of concession intangible assets;
- evaluating management's estimated unit amortisation charged derived from the Traffic Flow Amortisation Method, which included comparing projected traffic volumes with the historical actual results, and evaluating the appropriateness of the assumptions including the annual growth rate of the traffic volume, the change of the transportation network of the region and government policies relating to the toll roads operation in Chinese Mainland;
- assessing the capabilities, experience and competence of the third party traffic consultant engaged by the Group to estimate the traffic volume;
- validating the accuracy of the data on the traffic volume employed by the management in calculating the amortisation of the concession intangible assets of the JVs and recalculating the amortisation of the concession intangible assets of the JVs to verify the amount for accuracy; and
- assessing the disclosures of amortisation and the changes in accounting estimates of the concession intangible assets with reference to the requirements of the prevailing accounting standards.

Independent Auditor's Report

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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.

Responsibilities of the directors for the consolidated financial statements

The directors 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors 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. This 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.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with HKSAs, 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 group 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.

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 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.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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 Wong Chun Pong (practising certificate number: P05590).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Revenue	6	786,413	879,489
Cost of sales		(479,151)	(534,508)
Gross profit		307,262	344,981
Other income	7	36,279	29,880
Other net loss		(3,176)	(11,419)
Administrative expenses		(68,140)	(57,767)
Research and development expenses		(180)	–
Finance costs	8(b)	(126,641)	(175,019)
Share of results of joint ventures	18	557,114	585,260
Profit before tax	8	702,518	715,916
Income tax	9	(112,632)	(118,057)
Profit for the year		589,886	597,859
Attributable to:			
Equity shareholders of the Company		467,534	460,915
Non-controlling interests		122,352	136,944
Profit for the year		589,886	597,859
Earnings per share	11		
Basic		RMB15.17 cents	RMB14.96 cents

The notes on pages 122 to 188 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 28.

Consolidated statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(Expressed in RMB)

	2025 RMB'000	2024 RMB'000
Profit for the year	589,886	597,859
Other comprehensive income for the year (after tax):		
Item that will not be reclassified to profit or loss:		
Fair value gain on investment in equity instrument at FVOCI, net of tax	3,426	2,348
Item that may be reclassified subsequently to profit or loss:		
Exchange gain/(loss) arising on translation of non-Chinese Mainland operations	77,459	(67,791)
Other comprehensive income for the year	80,885	(65,443)
Total comprehensive income for the year	670,771	532,416
Attributable to:		
Equity shareholders of the Company	548,419	395,472
Non-controlling interests	122,352	136,944
Total comprehensive income for the year	670,771	532,416

The notes on pages 122 to 188 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

(Expressed in RMB)

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	13	248,503	254,585
Right-of-use assets	14	24,338	4,726
Construction in progress	15	8,453	14,199
Concession intangible assets	16	5,390,752	5,694,782
Other intangible assets	17	19,451	20,213
Interests in joint ventures	18	5,667,595	5,274,669
Equity instrument at FVOCI	19	24,893	21,086
Deferred tax assets	27	24,155	54,448
Other non-current assets		2,156	3,169
		11,410,296	11,341,877
Current assets			
Inventories		241	228
Trade and other receivables	20	158,411	290,253
Structured deposits	21	420,210	–
Time deposits	22	462,712	374,276
Restricted bank deposits	23(a)	34,558	62,415
Cash and cash equivalents	23(a)	857,082	733,286
		1,933,214	1,460,458
Total assets		13,343,510	12,802,335
Non-current liabilities			
Lease liabilities	25	16,214	79
Bank loans	26	1,323,800	1,427,900
Deferred tax liabilities	27	194,352	180,626
		1,534,366	1,608,605
Current liabilities			
Trade and other payables	24	430,178	421,943
Lease liabilities	25	8,267	5,037
Bank loans	26	3,504,260	3,104,230
Tax payables		15,955	23,352
		3,958,660	3,554,562
Total liabilities		5,493,026	5,163,167

Consolidated Statement of Financial Position

As at 31 December 2025
(Expressed in RMB)

	Notes	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	28(a)	270,603	270,603
Reserves		4,375,186	4,279,776
Total equity attributable to equity shareholders of the Company		4,645,789	4,550,379
Non-controlling interests		3,204,695	3,088,789
Total equity		7,850,484	7,639,168
Total equity and liabilities		13,343,510	12,802,335

Jianming Wu
Chairman

Cheng Wu
Director

The notes on pages 122 to 188 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in RMB)

Note	Attributable to equity shareholders of the Company										
	Share capital	Share premium	Statutory reserves	Investment			Capital reserves	Retained profits	Total	Non-controlling interests	Total equity
				revaluation reserves	Translation reserves						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2025	270,603	2,337,689	110,590	14,260	(546,870)	1,029,980	1,334,127	4,550,379	3,088,789	7,639,168	
Changes in equity for the year ended 31 December 2025:											
Fair value gain on investment in equity instrument at FVOCI, net of tax	-	-	-	3,426	-	-	-	3,426	-	3,426	
Exchange gain on translation of non-Chinese Mainland operations	-	-	-	-	77,459	-	-	77,459	-	77,459	
Profit for the year	-	-	-	-	-	-	467,534	467,534	122,352	589,886	
Total comprehensive income	-	-	-	3,426	77,459	-	467,534	548,419	122,352	670,771	
Dividends declared (Note) 28(b)	-	(530,733)	-	-	77,724	-	-	(453,009)	-	(453,009)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(6,446)	(6,446)	
Balance at 31 December 2025	270,603	1,806,956	110,590	17,686	(391,687)	1,029,980	1,801,661	4,645,789	3,204,695	7,850,484	

Note: For the purpose of presenting the consolidated statement of changes in equity of the Group in Renminbi ("RMB") (the presentation currency of the Group), the equity transactions and retained profits denominated in Hong Kong Dollar ("HKD") are translated at the exchange rates at the transaction dates. Before the change in functional currency of the Company from HKD to RMB during the year ended 30 June 2009, the exchange differences recognised in translation reserve represented the difference between the equity transactions and retained profits translated at the exchange rates at the transaction dates and the assets and liabilities translated at the closing rates at the end of each reporting period. Subsequent to the change in functional currency of the Company, the exchange differences recognised in translation reserve represented translation of its foreign operations.

The final dividend for the year ended 31 December 2024 of RMB7.15 cents per share, and interim dividend declared during the year ended 31 December 2025 of RMB7.55 cents per share, amounting approximately RMB453,009,000 was distributed from the share premium arisen at the time before the change in functional currency of the Company from HKD to RMB. Accordingly, the share premium and the corresponding translation reserve had been charged by RMB530,733,000 and credited by RMB77,724,000 respectively.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in RMB)

	Attributable to equity shareholders of the Company									Total equity
	Share capital	Share premium	Statutory reserves	Investment revaluation reserves	Translation reserves	Capital reserves	Retained profits	Total	Non-controlling interests	
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	270,603	2,337,689	110,090	11,912	(479,079)	1,029,980	1,470,019	4,751,214	2,951,845	7,703,059
Changes in equity for the year ended 31 December 2024:										
Fair value gain on investment in equity instrument at FVOCI, net of tax	-	-	-	2,348	-	-	-	2,348	-	2,348
Exchange loss on translation of non-Chinese Mainland operations	-	-	-	-	(67,791)	-	-	(67,791)	-	(67,791)
Profit for the year	-	-	-	-	-	-	460,915	460,915	136,944	597,859
Total comprehensive income	-	-	-	2,348	(67,791)	-	460,915	395,472	136,944	532,416
Transfer between reserves	-	-	500	-	-	-	(500)	-	-	-
Dividends declared	28(b)	-	-	-	-	-	(596,307)	(596,307)	-	(596,307)
Balance at 31 December 2024	270,603	2,337,689	110,590	14,260	(546,870)	1,029,980	1,334,127	4,550,379	3,088,789	7,639,168

The notes on pages 122 to 188 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(Expressed in RMB)

	Notes	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	23(b)	631,724	570,909
Tax paid		(60,769)	(1,969)
Net cash generated from operating activities		570,955	568,940
Investing activities			
Withdrawal of structured deposits		420,000	670,000
Additions in structured deposits		(840,000)	(350,000)
Additions in time deposits		(180,000)	(160,000)
Transfer of time deposits		100,000	–
Dividends received (net of PRC withholding tax)		289,066	158,640
Investment income received from structured deposits		1,087	3,893
Interest received from time deposits		3,127	–
Capital injection to a joint venture		(4,913)	–
Payment for purchases of property, plant and equipment, construction in progress and intangible assets		(21,230)	(274,900)
Proceeds from disposal of property, plant and equipment		8	13
Net cash (used in)/generated from investing activities		(232,855)	47,646
Financing activities			
Proceeds from new bank loans	23(c)	5,945,451	1,908,043
Repayment of bank loans	23(c)	(5,574,314)	(1,481,241)
Interest paid on bank loans	23(c)	(123,516)	(168,521)
Dividends paid to:			
— equity shareholders of the Company	23(c)	(452,375)	(608,020)
— non-controlling interests of a subsidiary	23(c)	(2,025)	–
Capital element of lease rentals paid	23(c)	(3,203)	(15,594)
Interest element of lease rentals paid	23(c)	(94)	(1,018)
Repayment of other financing fees		–	(543)
Net cash used in financing activities		(210,076)	(366,894)
Net increase in cash and cash equivalents		128,024	249,692
Cash and cash equivalents at 1 January	23(a)	733,286	483,617
Effect of foreign exchanges rates changes		(4,228)	(23)
Cash and cash equivalents at 31 December	23(a)	857,082	733,286

The notes on pages 122 to 188 form part of these financial statements.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

1 General Information

Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at 31 December 2025, the Company’s immediate holding company and ultimate holding company are Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (深圳投控國際資本控股基建有限公司) (“SIICHIC”), a company incorporated in the British Virgin Islands with limited liability, and Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) (“SIHC”), a company established in the People’s Republic of China (“PRC”) with limited liability, respectively.

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

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries and the joint ventures are set out in notes 31 and 18, respectively.

The Company’s functional currency and presentation currency are Renminbi (“RMB”).

2 Basis of preparation of the consolidated financial statements

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed in note 3.

In prior years, the Group prepared financial statements in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”), which collective term includes all applicable IFRSs, IASs and Interpretations, and which have been included in the Group’s annual report. Separately, for the purpose of issuance of panda bond, the Group also prepared financial statements in accordance with all applicable HKFRS Accounting Standards issued by the HKICPA.

To streamline the preparation of financial statements, the Group has decided to change the statement of compliance from IFRS Accounting Standards to HKFRS Accounting Standards in the current year. As such, the financial statements of the Group for the year ended 31 December 2025 have been prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA which have been fully converged with IFRS Accounting Standards in all material respects.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Basis of preparation of the consolidated financial statements (continued)

(a) Statement of compliance (continued)

With due regard to the Group's accounting policies in previous periods, the Group concluded that no adjustments were required to the amounts reported under IFRS Accounting Standards as at the date of transition to HKFRS Accounting Standards or in respect of the year ended 31 December 2025.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3(a) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources (including but not limited to future operating cash flow and unused and estimated amount of bank facilities to be obtained) to continue in operational existence for the foreseeable future. Thus the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. Details are set out in note 30.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies

(a) New and amended HKFRS Accounting Standards adopted during the year

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates — Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and 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; and
- has the ability to use its power 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.

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 equity shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(c) Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements 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 bargain purchase gain 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.

(d) Interests in joint ventures

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.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of 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. Appropriate adjustments have been made to conform the joint venture's accounting policies to those of the Group. Under the equity method, an investment in 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 joint venture. Changes in net assets of the 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 a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the 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 joint venture.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(d) Interests in joint ventures (continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in 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 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 recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have 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. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of HKFRS 9 "Financial Instruments", the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon partial disposal of the relevant joint venture.

When the Group reduces its ownership interest in 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.

The Group has incurred additional development expenditure for the construction and development of the toll expressways operated by the joint ventures, which were not accounted for by those entities. Such costs are included in additional costs of investments in joint ventures and are amortised over the joint venture period on the same basis as that adopted by the relevant joint ventures in respect of amortisation of its project cost, commencing from the date of operation of the project undertaken. On disposal of a joint venture, the attributable amount of the unamortised additional cost of investment is included in the determination of the profit or loss on disposal.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method. Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

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.

(f) Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that should be capitalised before the construction is ready for its intended use and other relevant expenses. The amount is carried at cost, less any recognised impairment loss. Construction in progress is transferred to property, plant and equipment or intangible assets when the asset is ready for its intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(g) Concession intangible assets

Concession intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Concession intangible assets refer to the rights granted by the respective concession grantors, which entitle the Group to receive the toll fees from users.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognises an intangible asset at fair value upon initial recognition. The concession intangible assets of the toll road that the Group has delivered but not yet completed the final settlement account are temporarily estimated based on the tentative value of the toll road project. When the final account is completed, the tentative value will be adjusted to the actual value.

When toll roads are ready for their intended use, amortisation of the intangible assets is calculated based on the traffic volume amortisation method. Amortisation is provided on projected units-of-usage, which is calculated based on the total projected traffic volume during the operating period of the concessions and the book value of the concession intangible assets combined with the actual traffic volume during each accounting period.

Subsequent expenditures incurred for the toll roads are included in the cost of the concession intangible assets when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(h) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the goods or services before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Toll revenue is from operating toll roads, and is recognised in accordance with the amount collected and receivable when a vehicle is passing through.

During the construction period, the construction service provided by the Group is regarded as the performance obligations performed over time using the input method. Under the input method, revenue generated by construction services rendered by the Group is measured at the fair value of the consideration received or receivable, where total income and expenses associated with the construction contract and the stage of completion can be determined reliably. The consideration may be rights to attain an intangible asset.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(i) 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.

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

(j) 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, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(i) The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of car parks and staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use asset

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any initial direct costs incurred by the Group.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

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

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

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(j) Leases (continued)

Definition of a lease (continued)

(i) The Group as a lessee (continued)

Lease liability

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.

After the commencement date, lease liability is adjusted by interest accretion and lease payments.

The Group presents lease liability 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.

The Group accounts for the remeasurement of lease liability by making corresponding adjustments to the relevant right-of-use asset.

(k) Cash and cash equivalents

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

- (i) cash, which comprises of 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
- (ii) cash equivalents, which comprises of 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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. 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.

(m) 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 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.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(n) 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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, except for exchange differences on monetary items receivable from or payable to a non-Chinese Mainland operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the non-Chinese Mainland operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in joint ventures.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's non-Chinese Mainland 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 expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a non-Chinese Mainland operation (that is, a disposal of the Group's entire interest in a non-Chinese Mainland operation, or a disposal involving loss of control over a subsidiary that includes a non-Chinese Mainland operation, or a partial disposal of an interest in a joint arrangement that includes a non-Chinese Mainland operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity shareholders of the Company are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(o) Retirement benefit costs

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

(p) 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 after deducting any amount already paid.

(q) Taxation

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

The current tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax because of income or expense 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 substantially enacted by the end of the reporting period.

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 from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries 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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(q) Taxation (continued)

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 rate (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.

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 taxable entity by 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.

(r) 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 basis. 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.

Financial assets and financial liabilities are initially measured at fair value. 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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(r) Financial instruments (continued)

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.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVOCI”):

- the financial asset is held within a business model whose objective is achieved by both selling 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 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.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. 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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Equity instruments designated as at FVOCI

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI 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 excludes any dividend or interest earned on the financial asset and is included in the "other income" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, amount due from the joint venture, restricted bank deposits and bank deposits and cash) and other item (financial guarantee contract) which are subject to impairment assessment 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 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 ECL on these assets are assessed individually.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless 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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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.

For financial guarantee contract, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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 collaterals 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.

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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. 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.

Measurement and recognition of ECL

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(r) Financial instruments (continued)

Financial assets (continued)

Derecognition 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.

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 and loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

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 Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities including trade and other payables, bank loans and dividend payables are subsequently measured at amortised cost, using the effective interest method.

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.

Derecognition 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.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Material accounting policies (continued)

(s) Impairment on property, plant and equipment, right-of-use assets and concession intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and concession intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and concession intangible assets are estimated individually. When it is not possible to estimate the recoverable amount 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.

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 a 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 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 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 is recognised immediately in profit or loss.

Where an impairment 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 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 is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the year of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting periods that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

(a) Amortisation of concession intangible assets of the Group

When toll roads are ready for their intended use, amortisation of the concession intangible assets is calculated based on the traffic volume amortisation method. Amortisation is provided on projected units-of-usage, which is calculated based on the total projected traffic volume during the operating period of the concessions and the book value of the concession intangible assets combined with the actual traffic volume during each accounting period. The total expected traffic volume over the remaining concession period was estimated by the management annually, taking into consideration of various factors such as the annual growth rate of the traffic volume, the actual traffic volume in the recent periods, the change of the transportation network of the region and government policies relating to the toll expressway operation in Chinese Mainland. When material differences between actual traffic volume and projected traffic volume exist, the Group will appoint an independent professional traffic consultant to perform a study on the future traffic volume, and then adjust the amortisation based on unit usage according to the revised total projected traffic volume, to ensure that the respective concession intangible assets would be fully amortised in the operating period.

The management has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The management also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist. Based on these studies, the management will make the appropriate accounting adjustments, if necessary.

In view of that the actual traffic volume of Coastal Expressway differs from the projected traffic volume and may last for in further periods, the Group appoints independent professional traffic consultants to reassess the projected traffic volume for Coastal Expressway. The Group has adjusted the units-of-usage for the Coastal Expressway according to the revised total projected traffic volume since 1 July 2025. Such change in accounting estimate has resulted in decrease in profit attributable to equity shareholders of the Company of RMB21,391,000 for the year ended 31 December 2025 and will affect the amortisation charges of the Group in the future.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

(b) Amortisation of concession intangible assets of the joint ventures

Same as amortisation of concession intangible assets of the Coastal Company, amortisation of concession intangible assets of the joint ventures is calculated based on units-of-usage basis. Details are set out in note 4(a) above.

In view of that the actual traffic volume of Guangzhou — Zhuhai West Superhighway (“GZ West Superhighway”) differs from the projected traffic volume and may last for in further periods, the Group appoints independent professional traffic consultants to reassess the projected traffic volume for GZ West Superhighway. The Group has adjusted the units-of-usage for the GZ West Superhighway according to the revised total projected traffic volume since 1 October 2025. Such change in accounting estimate has resulted in decrease in profit attributable to equity shareholders of the Company of RMB8,583,000 for the year ended 31 December 2025 and will affect the amortisation charges of the Group in the future.

(c) Resurfacing obligations of a joint venture

A joint venture of the Group has contractual obligations under the contractual service arrangements to maintain the toll expressways to a specified level of serviceability over the respective concession periods. These obligations to maintain or restore the toll expressways, except for upgrade services, are to be recognised and measured as resurfacing obligations. Resurfacing obligations had been made at the present value of expenditures expected to be incurred by the joint venture to settle the obligations.

The provision at the end of the reporting period is determined based on the number of major resurfacing works to be undertaken over the concession periods under the service concession agreements and the expected costs to be incurred for each event. The costs are then discounted to the present value based on a pre-tax discount rate to derive the provision amount.

The expected costs for maintenance and resurfacing and the timing of such events to take place involve estimates made by the management, which were based on the resurfacing plans of the joint venture, historical costs incurred for similar activities and the latest quotations from the service provider.

If the expected expenditures, resurfacing plans and discount rate were different from the management’s current estimates, the change in resurfacing obligations is required to be accounted for prospectively.

The management is of the view that the discount rate currently used in the current estimate should reflect the time value of money and the risks specific to the obligations.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

(d) Construction revenue of a joint venture

As explained in the accounting policies set out in note 3(h) to the financial statements for “Revenue from contracts with customer”, revenue and profit recognition on an incomplete project is dependent on estimating the final outcome of the construction contract, as well as the work done to date. Based on the Group’s recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. Actual outcomes in terms of revenue or costs may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

5 Segment information

The Group’s reportable and operating segments are determined based on information reported to the chief operating decision maker (“CODM”) for the purpose of resource allocation and performance assessment.

Information reported to the CODM, including segment revenue, the Group’s share of joint ventures’ earnings before interest, tax, depreciation and amortisation and net exchange gain/loss (“EBITDA”), the Group’s share of joint ventures’ depreciation and amortisation including amortisation of additional cost of investments in joint ventures (“Depreciation and Amortisation”), the Group’s share of joint ventures’ interest and tax excluding tax on exchange gain/loss and including withholding tax on earnings of joint ventures (“Interest and Tax”), and segment results. The CODM is more specifically focused on individual toll expressway project operated and managed by the Group’s subsidiary, and individual toll expressway projects and land development and utilisation project operated and managed by the joint ventures. Accordingly, the Group’s reporting and operating segments under HKFRS 8 “Operating Segments” are therefore as follows:

- Coastal Expressway (Shenzhen Section) (“Coastal Expressway”)
- Guangzhou — Shenzhen Superhighway (“GS Superhighway”)
- Guangzhou — Zhuhai West Superhighway (“GZ West Superhighway”)
- Xintang interchange Project

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

5 Segment information (continued)

Information regarding the above segments is reported below:

Segment revenue and results

	2025					2024				
	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000
Toll expressway projects										
Subsidiary										
— Coastal Expressway	786,413	645,191	(330,049)	(82,510)	232,632	736,287	619,765	(268,925)	(88,513)	262,327
Joint ventures										
— GS Superhighway	1,267,637	1,134,217	(449,430)	(237,983)	446,804	1,298,335	1,202,319	(464,979)	(270,885)	466,455
— GZ West Superhighway	565,107	441,263	(258,131)	(86,167)	96,965	634,339	510,250	(279,933)	(112,681)	117,636
	2,619,157	2,220,671	(1,037,610)	(406,660)	776,401	2,668,961	2,332,334	(1,013,837)	(472,079)	846,418
Land development and utilisation project										
Joint venture										
— Xintang Interchange Project	49,187	(21,439)	(761)	-	(22,200)	140,793	(16,371)	(776)	77	(17,070)
Total	2,668,344	2,199,232	(1,038,371)	(406,660)	754,201	2,809,754	2,315,963	(1,014,613)	(472,002)	829,348
Corporate interest income from bank deposits					19,848					13,049
Corporate investment income from structured deposits					-					3,521
Other income and other net loss					8,401					7,421
Corporate administrative expenses, depreciation and amortisation					(68,196)					(57,765)
Corporate finance costs					(125,822)					(174,269)
Corporate income tax					1,700					3,594
Net exchange loss (net of related income tax) (note)					(246)					(27,040)
Profit for the year					589,886					597,859
Profit for the year attributable to non-controlling interests					(122,352)					(136,944)
Profit for the year attributable to equity shareholders of the Company					467,534					460,915

Note: Net exchange loss (net of related income tax) is composed of the Group's share of exchange gain (net of related income tax) of a joint venture of RMB2,905,000 (2024: net exchange loss of RMB15,648,000) and the net exchange loss of the Group of RMB3,151,000 (2024: RMB11,392,000).

The segment revenue includes the Group's toll revenue from the operation of Coastal Expressway and the Group's share of joint ventures' toll revenue from the operations of toll expressways in Chinese Mainland and revenue from sales of properties from land development and utilisation project in Chinese Mainland based on the profit-sharing ratios specified in the relevant joint venture agreements, but excludes construction revenue. All of the segment revenue reported above is earned from external customers.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

5 Segment information (continued)

Segment revenue and results (continued)

The reconciliation between the total revenue of reportable segment and the revenue of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Total reportable segment revenue	2,668,344	2,809,754
Exclusion of joint ventures' revenue	(1,881,931)	(2,073,467)
Construction revenue	–	143,202
The Group's revenue	786,413	879,489

The segment results represent (i) the Group's results from the operation of Coastal Expressway; (ii) the Group's share of joint ventures' results from the operations of toll expressways and land development and utilisation project in Chinese Mainland before net exchange gain/loss (net of related income tax) respectively based on the profit-sharing ratios or shareholding percentage specified in the relevant joint venture agreements; (iii) net of (a) the withholding tax attributed to the dividend received from the joint ventures and deferred tax expenses recognised in respect of the undistributed earnings of the joint ventures; and (b) amortisation of additional cost of investments in joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographical information

The main operations of the Group and its joint ventures are located in Chinese Mainland. All of the Group and its joint ventures' revenue from external customers was generated from the services provided in Chinese Mainland. The non-current assets amounting to RMB8,543,000 (2024: RMB5,346,000) are located in Hong Kong and the remaining balances are located in Chinese Mainland.

Segment assets and liabilities

Segment assets and liabilities are not disclosed as they are not regularly provided to the CODM for the purpose of resource allocation and performance assessment.

Information about major customers

No individual customer of the Group had contributed sales of over 10% of the total revenue of the Group for both years.

6 Revenue

	2025 RMB'000	2024 RMB'000
Toll revenue	786,413	736,287
Construction revenue	–	143,202
	786,413	879,489

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

7 Other income

	2025 RMB'000	2024 RMB'000
Interest income on bank deposits	25,378	14,590
Investment income from structured deposits	1,297	3,521
Government grants	7	26
Dividend income from equity instrument at FVOCI	588	528
Other services income	8,501	8,027
Others	508	3,188
	36,279	29,880

8 Profit before tax

Profit before tax is arrived at after charging/(crediting):

	2025 RMB'000	2024 RMB'000
(a) Staff costs		
Directors' emoluments (Note 10)	6,233	6,594
Other staff costs	92,600	76,838
	98,833	83,432

	2025 RMB'000	2024 RMB'000
(b) Finance costs		
Interest on bank loans	126,195	174,563
Interest on lease liabilities (Note 14)	446	456
	126,641	175,019

	2025 RMB'000	2024 RMB'000
(c) Other items		
Auditor's remuneration	1,380	1,380
Depreciation of right-of-use assets	8,944	8,959
Depreciation of property, plant and equipment	22,030	21,732
Amortisation of concession intangible assets	304,030	243,568
Amortisation of other intangible assets	5,600	5,375
Loss/(gain) on disposal of property, plant and equipment	25	(16)
Short-term lease expense	1,371	1,190
Net exchange loss	3,151	11,392

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

9 Income tax

Taxation in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current tax		
— Corporate Income Tax	53,431	25,374
— Withholding tax	15,563	8,324
Deferred tax	43,638	84,359
	112,632	118,057

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong for both years.

The current tax of the Group made amount of withholding tax of RMB15,563,000 (2024: RMB8,324,000) imposed on dividends actually paid during the year deducted by joint ventures of the Group of which the corresponding amount had already been recognised as deferred tax liabilities in prior years in respect of undistributed earnings of a joint venture. The applicable withholding tax rate of the Group is 5%.

The reconciliation between income tax expense for the year and profit before tax in consolidated statement of profit or loss is set out below:

	2025 RMB'000	2024 RMB'000
Profit before tax	702,518	715,916
Tax calculated at PRC statutory income tax rate of 25% (2024: 25%)	175,630	178,979
Effect of different tax rates on income tax expense	(12,155)	(25,226)
Tax effect of income not taxable for tax purposes	(38)	(34)
Tax effect of non-deductible expenses	13,673	14,051
Tax effect of share of results of joint ventures	(139,279)	(146,315)
Tax effect of tax losses	42,728	66,450
Income tax adjustment in respect of prior years	3,165	—
Withholding tax	28,908	30,152
Income tax expense	112,632	118,057

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

10 Directors' and five highest paid individuals' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025				Total RMB'000
	Directors' fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonus (Note (g)) RMB'000	Contribution to retirement benefits plans RMB'000	
Executive directors					
Xiangwen LIAO (Note (a))	-	-	-	-	-
Jianming WU (Note (b))	-	633	874	169	1,676
Cheng WU (Note (c))	-	533	715	149	1,397
Ji LIU (Note (d))	-	533	708	148	1,389
Non-executive directors					
Siyan CHEN (Note (e))	257	-	-	-	257
Xiao YANG (Note (f))	58	-	-	-	58
Xuan WANG	315	-	-	-	315
Independent non-executive directors					
Yu Lung CHING	395	-	-	-	395
Tony Chung Nin KAN	395	-	-	-	395
Peng XUE	351	-	-	-	351
	1,771	1,699	2,297	466	6,233

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

10 Directors' and five highest paid individuals' emoluments (continued)

	2024				
	<i>Directors' fees</i>	<i>Salaries, allowances and other benefits</i>	<i>Discretionary bonus</i>	<i>Contribution to retirement benefits plans</i>	<i>Total</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors					
Xiangwen LIAO (Note (a))	–	–	–	–	–
Jianming WU (Note (b))	92	628	891	170	1,781
Cheng WU (Note (c))	92	528	726	149	1,495
Ji LIU (Note (d))	92	528	726	149	1,495
Non-executive directors					
Siyao CHEN (Note (e))	324	–	–	–	324
Xuan WANG	324	–	–	–	324
Independent non-executive directors					
Yu Lung CHING	407	–	–	–	407
Tony Chung Nin KAN	407	–	–	–	407
Peng XUE	361	–	–	–	361
	2,099	1,684	2,343	468	6,594

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were paid for their services as directors of the Company.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

10 Directors' and five highest paid individuals' emoluments (continued)

Notes:

- (a) Mr. Xiangwen LIAO resigned as an executive director and the chairman of the board of directors of the Company on 12 February 2026. During the year, Mr. LIAO has waived his 2025 directors' fees of RMB225,000 (2024: RMB231,000).
- (b) Mr. Jianming WU was appointed as the chairman of the board of directors of the Company on 12 February 2026. During the year, Mr. WU has waived his 2025 directors' fees of RMB180,000 (2024: RMB92,000).
- (c) During the year, Mr. Cheng WU has waived his 2025 directors' fees of RMB180,000 (2024: RMB92,000).
- (d) During the year, Mr. Ji LIU has waived his 2025 directors' fees of RMB180,000 (2024: RMB92,000).
- (e) Ms. Siyan CHEN ceased to be a non-executive director of the Company on 24 October 2025.
- (f) Ms. Xiao YANG was appointed as a non-executive director of the Company on 24 October 2025.
- (g) The amounts of discretionary bonus for the year ended 31 December 2025 include the accrued but not yet paid component.

Five highest paid individuals' emoluments

Of the five individuals with the highest emoluments in the Group, 3 (2024: 3) were directors whose emoluments are disclosed above.

The emoluments of the remaining 2 (2024: 2) highest paid employees were as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and other benefits	1,066	1,058
Discretionary bonus	1,401	1,405
Contribution to retirement benefits plans	286	285
	2,753	2,748

The number of the highest paid employees who are not directors whose remuneration fell within the following band is as follow:

	2025 Number of individuals	2024 Number of individuals
HK\$1,000,001–HK\$1,500,000	2	2

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the persons who are directors or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

11 Earnings per share

The calculation of basic earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	2025	2024
	RMB'000	RMB'000
Earnings for the purposes of basic earnings per share	467,534	460,915
	2025	2024
Number of ordinary shares for the purpose of basic earnings per share	3,081,690,283	3,081,690,283

There was no potential dilutive ordinary shares in issue during both years and therefore no diluted earnings per share were presented.

12 Retirement benefits plans

The Group has established the Mandatory Provident Fund Scheme (the “MPF Scheme”) for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the Hong Kong employees’ monthly relevant income capped at HK\$30,000. In addition, Chinese Mainland employees employed by the Group are members of the state-managed retirement benefit schemes operated by the PRC Government. The Group is required to contribute the proportion specified by the local government of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year ended 31 December 2025 are RMB10,251,000 (2024: RMB8,280,000).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

13 Property, plant and equipment

	<i>Buildings</i> RMB'000	<i>Motor vehicles</i> RMB'000	<i>Furniture, fixtures and equipment</i> RMB'000	<i>Transportation equipment</i> RMB'000	<i>Total</i> RMB'000
Cost					
At 1 January 2024	288,067	4,471	13,780	210,280	516,598
Additions	–	336	1,069	704	2,109
Transfer from construction in progress	–	–	–	2,647	2,647
Disposals	–	(283)	(228)	(5)	(516)
At 31 December 2024	288,067	4,524	14,621	213,626	520,838
At 1 January 2025	288,067	4,524	14,621	213,626	520,838
Additions	–	–	500	616	1,116
Transfer from construction in progress	–	–	–	14,894	14,894
Disposals	–	(1,062)	(851)	–	(1,913)
At 31 December 2025	288,067	3,462	14,270	229,136	534,935
Accumulated depreciation					
At 1 January 2024	76,137	3,891	7,531	157,440	244,999
Charge for the year	12,773	282	1,744	6,933	21,732
Write back on disposals	–	(269)	(206)	(3)	(478)
At 31 December 2024	88,910	3,904	9,069	164,370	266,253
At 1 January 2025	88,910	3,904	9,069	164,370	266,253
Charge for the year	12,832	165	1,732	7,301	22,030
Write back on disposals	–	(1,009)	(842)	–	(1,851)
At 31 December 2025	101,742	3,060	9,959	171,671	286,432
Net book value:					
At 31 December 2025	186,325	402	4,311	57,465	248,503
At 31 December 2024	199,157	620	5,552	49,256	254,585

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

14 Right-of-use assets

	<i>RMB'000</i>	
Cost		
As at 1 January 2024		26,055
Additions		701
As at 31 December 2024		26,756
As at 1 January 2025		26,756
Additions		28,556
Disposals		(26,055)
As at 31 December 2025		29,257
Accumulated depreciation		
As at 1 January 2024		13,071
Charge for the year		8,959
As at 31 December 2024		22,030
As at 1 January 2025		22,030
Charge for the year		8,944
Disposals		(26,055)
As at 31 December 2025		4,919
Carrying amounts		
As at 31 December 2025		24,338
As at 31 December 2024		4,726
	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities (Note 8)	446	456
Expense relating to short-term leases	1,371	1,190

The Group leases office premises for its operations. Lease contracts are entered into for fixed term of 3-3.5 years (2024: 3 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.

During the year ended 31 December 2025, the Group added right-of-use assets and lease liabilities amounted to RMB28,556,000 and RMB28,556,000 respectively (2024: RMB701,000 and RMB701,000 respectively). The total cash outflow for leases during the year amounted to RMB3,297,000 (2024: RMB16,612,000).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

14 Right-of-use assets (continued)

Restrictions or covenants on leases

In addition, lease liabilities of RMB24,481,000 (2024: RMB5,116,000) are recognised with related right-of-use assets of RMB24,338,000 (2024: RMB4,726,000) as at 31 December 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.

The Group regularly entered into short-term leases for car parks and staff quarters, of which the Group applies the short-term lease recognition exemption to leases of such properties. For the year ended 31 December 2025, the Group incurred expense relating to short-term leases amounting to RMB1,371,000 (2024: RMB1,190,000). As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

15 Construction in progress

	<i>RMB'000</i>
Cost	
As at 1 January 2024	23,987
Additions	9,863
Transfer to property, plant and equipment	(2,647)
Transfer to other intangible assets	(17,004)
As at 31 December 2024	14,199
As at 1 January 2025	14,199
Additions	13,087
Transfer to property, plant and equipment	(14,894)
Transfer to other intangible assets	(3,939)
As at 31 December 2025	8,453

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

16 Concession intangible assets

	RMB'000
Cost	
As at 1 January 2024	9,943,076
Additions	143,202
As at 31 December 2024, 1 January 2025 and 31 December 2025	10,086,278
Accumulated amortisation and impairment losses	
As at 1 January 2024	4,147,928
Charge for the year	243,568
As at 31 December 2024	4,391,496
As at 1 January 2025	4,391,496
Charge for the year	304,030
As at 31 December 2025	4,695,526
Carrying amounts	
As at 31 December 2025	5,390,752
As at 31 December 2024	5,694,782

As at 31 December 2025 and 2024, the concession intangible assets of Coastal Expressway are pledged to a bank to secure the bank facility granted to Coastal Expressway.

Concession intangible assets represent the right to operate Coastal Expressway granted by the relevant local government authorities in the PRC to the Coastal Company.

The period of right to operate the toll is up to year 2038. According to the relevant governments' approval documents and the relevant regulations, the Coastal Company is responsible for the construction of the toll roads and the acquisition of the related facilities and equipments. The Coastal Company is also responsible for the operations and management, maintenance and overhaul of the toll roads during the approved operating period. The toll fees collected and collectible during the operating period are attributable to the Coastal Company. The relevant toll road assets are required to be returned to the local government authorities when the operating right period expires without any consideration payable to the Coastal Company. According to the relevant regulations, the operating right is generally not renewable and the Coastal Company does not have any termination options.

The Coastal Company has set policies to execute internal review on the total projected traffic volume during the operating period of the concessions annually. The Coastal Company also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist and then adjust the amortisation based on unit usage according to the revised total projected traffic volume, to ensure that the respective concession intangible assets would be fully amortised in the operating period. During the year, the projected traffic volume was revised. Please refer to note 4(a) for details.

Carrying amounts of concession intangible assets as at 31 December 2025 and 2024 are net of impairment loss of RMB2,638,235,000 recognised in 2017.

Notes to the Consolidated Financial Statements

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17 Other intangible assets

	Software RMB'000
Cost	
As at 1 January 2024	4,810
Additions	6,039
Transfer from construction in progress	17,004
As at 31 December 2024	27,853
As at 1 January 2025	27,853
Additions	899
Transfer from construction in progress	3,939
As at 31 December 2025	32,691
Accumulated amortisation	
As at 1 January 2024	2,265
Charge for the year	5,375
As at 31 December 2024	7,640
As at 1 January 2025	7,640
Charge for the year	5,600
As at 31 December 2025	13,240
Carrying amounts	
As at 31 December 2025	19,451
As at 31 December 2024	20,213

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures

	2025 RMB'000	2024 RMB'000
At 1 January	5,274,669	4,990,898
Share of results of joint ventures	557,114	585,260
Share of dividends distributed by joint ventures	(458,938)	(301,489)
Investment in a joint venture	294,750	–
At 31 December	5,667,595	5,274,669

As at 31 December 2025 and 2024, particulars of the Group's joint ventures are as follows:

Name of company	Place of establishment and principal place of operation	Fully paid registered capital		Principal activity	Proportion of registered capital contribution		Proportion of voting rights held	
		2025	2024		2025	2024	2025	2024
Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS JV", 廣深珠高速公路有限公司) (Note (a)(b))	Chinese Mainland	RMB655,000,000 (Note i)	Nil (Note i)	Development, operation and management of GS Superhighway	45%	Not applicable	45%	50%
Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("GZ West JV", 廣東廣珠西綫高速公路有限公司) (Note (a)(b))	Chinese Mainland	RMB4,899,000,000 (Note ii)	RMB4,899,000,000 (Note ii)	Development, operation and management of GZ West Superhighway	50%	50%	50%	50%
Guangzhou Zhentong Development Company Limited ("Xintang JV", 廣州臻通實業發展有限公司) (Note (a)(c))	Chinese Mainland	RMB3,040,000,000 (Note iii)	RMB3,040,000,000 (Note iii)	Land development and utilisation	15%	15%	15%	15%

- (a) These entities are limited liability companies established in the PRC.
- (b) Both GS JV and GZ West JV are sino-foreign co-operative joint venture enterprises established to invest in toll expressway projects in Chinese Mainland.
- (c) Xintang JV is a joint venture enterprise established to invest in the Xintang Overpass Residential Project in Chinese Mainland.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures (continued)

The principal terms of the joint venture agreements entered into between the relevant subsidiaries and the corresponding joint venture partners under which the joint ventures operate are as follows:

(i) GS JV

GS JV is established to undertake the development, operation and management of the GS Superhighway, an expressway in Guangdong Province of the PRC running between Shenzhen and Guangzhou. The operating period is 30 years from the official opening date of 1 July 1997.

The Group's entitlement to the profit of the toll operations of GS JV is 50% for the initial 10 years of operating period, 48% for the next 10 years and 45% for the last 10 years of the operating period.

The registered capital previously injected by the Group to GS JV had been repaid to the Group by GS JV during the financial year ended 30 June 2008.

With the economic development and the increase in car ownership in Guangdong Province, the traffic flow on GS Superhighway has been nearly saturated and the reconstruction and expansion of GS Superhighway ("the Project") are required. The Project will be divided into two sections, i.e. the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway ("Guangzhou-Dongguan Section"), and the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway ("Shenzhen Section"). The Guangzhou-Dongguan Section was approved by the Guangdong Provincial Development and Reform Commission in 2023 and expansion work has been commenced by the end of 2023. The Shenzhen Section was approved by the Guangdong Provincial Development and Reform Commission in June 2025 and expansion work has been commenced during the year. To meet the funding needs of the this section's reconstruction and expansion project, the Group intends to contribute, by way of registered capital, RMB3.285 billion to GS JV. Before and after completion of the capital contribution matters, the Group hold 45% equity interests in GS JV. During the year, the Group increased its capital contribution by a total of RMB294,750,000 through profit distribution converted into capital and cash contributions.

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18 Interests in joint ventures (continued)

(ii) GZ West JV

GZ West JV is established to undertake the development, operation and management of GZ West Superhighway, an expressway linking Guangzhou, Foshan, Zhongshan and Zhuhai and was built in three phases.

Phase I of the GZ West Superhighway (“Phase I West”)

The total investment for the Phase I West is RMB1,680,000,000, of which was funded by the registered capital of GZ West JV amounting to RMB588,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB294,000,000). The operating period for Phase I West is 30 years commencing from 17 September 2003.

Phase II of the GZ West Superhighway (“Phase II West”)

The total investment for the Phase II West is RMB6,715,000,000, of which was funded by the registered capital of GZ West JV amounting to RMB2,351,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB1,175,500,000). The operating period for Phase II West is 25 years commencing from 25 June 2010.

Phase III of the GZ West Superhighway (“Phase III West”)

The total investment for the Phase III West is RMB5,400,000,000, of which was funded by the registered capital of GZ West JV amounting to RMB1,960,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB980,000,000). The operating period for Phase III West is 25 years commencing from 25 January 2013.

The Group is entitled to 50% of the distributable profits from operation of GZ West JV. At the end of the respective operating periods of Phase I West, Phase II West and Phase III West, all the immovable assets and facilities of each phase will be reverted to relevant PRC governmental authority which regulates transportation without compensation.

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18 Interests in joint ventures (continued)

(iii) Xintang JV

Xintang JV is established to engage in the development of residential project on the Xintang Interchange.

On 10 September 2020, the Group entered into an agreement to dispose of 22.5% equity interest of Xintang JV, together with the transfer of its rights in the corresponding portion of its shareholders' loans advanced to Xintang JV and the outstanding interests accrued thereon, through a public tender process (the "Partial Disposal"). The Group held 15% equity interest in the Xintang JV upon completion of the Partial Disposal.

A gain on Partial Disposal of RMB545,181,000 was recognised during the year ended 31 December 2020, which was the difference between the consideration received from the Partial Disposal of RMB1,090,432,000 less corresponding portion of its shareholders' loans advanced to Xintang JV of RMB532,534,000 less related fees of RMB12,717,000 and the carrying value of the Group's 22.5% equity interest of Xintang JV on the completion date amounted to zero.

As at 31 December 2020, the fully paid registered capital of Xintang JV was RMB10,000,000. During the year ended 31 December 2021, the fully paid registered capital was increased from RMB10,000,000 to RMB3,040,000,000 and the Group had capitalised an amount due from a joint venture of RMB454,500,000 into capital contribution of the joint venture on a dollar-to-dollar basis.

The Group held 15% equity interest in the Xintang JV. The Group is able to exercise joint control over Xintang JV which the decisions about the relevant activities require the unanimous consent of the Group and the other shareholders. Accordingly, Xintang JV is regarded as a joint venture of the Group.

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(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures

Summarised financial information in respect of the Group's joint ventures and reconciliation of the summarised financial information to the carrying amount of the interests in the respective joint ventures recognised in the consolidated financial statements are set out below:

	At 31 December 2025			
	GS JV RMB'000	GZ JV West RMB'000	Xintang JV RMB'000	Total RMB'000
Current assets	6,221,327	216,362	5,389,237	
Non-current assets	8,263,365	9,051,016	188,170	
Current liabilities	(816,592)	(784,607)	(2,136,120)	
Non-current liabilities	(8,776,574)	(2,849,594)	(818,891)	
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	5,977,752	195,589	529,330	
Concession intangible assets	6,332,195	8,767,661	–	
Bank and other loans in current liabilities	(92,196)	(421,603)	(730)	
Bank and other loans in non-current liabilities	(3,540,457)	(2,496,528)	(818,891)	
Net assets of joint ventures	4,891,526	5,633,177	2,622,396	
Proportion of the Group's interests	45%	50%	15%	
Group's share of joint ventures' net assets	2,201,187	2,816,589	393,359	
Elimination of unrealised profit on disposal of land (Note i and ii)	(60,560)	–	–	
Effect of change in profit sharing ratio of a joint venture over the operating period in prior year	988	–	–	
Net assets contributable to the Group	2,141,615	2,816,589	393,359	5,351,563
Carrying amount of additional cost of investment	286,191	29,841	–	316,032
Carrying amount of the Group's interest in joint ventures	2,427,806	2,846,430	393,359	5,667,595

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures (continued)

	For the year ended 31 December 2025			
	GS JV RMB'000	GZ JV West RMB'000	Xintang JV RMB'000	Total RMB'000
Profit and total comprehensive income for the year	1,238,171	206,540	(148,002)	
Group's share of dividends distributed by the joint ventures	294,750	164,188	–	
The above profit for the year includes the following:				
Toll revenue	2,816,971	1,130,214	–	
Revenue from sales of properties	–	–	327,912	
Construction revenue	2,379,862	41,435	–	
Depreciation and amortisation	(819,324)	(513,978)	(5,072)	
Toll expressway operation expenses	(424,834)	(222,031)	–	
Income tax	(423,224)	(76,093)	–	
Proportion of the Group's interest	45%	50%	15%	
Profit/(loss) shared by the Group	557,177	103,270	(22,200)	638,247
The impact of additional development borne by the Group costs on the joint ventures	(80,734)	(1,142)	–	(81,876)
Elimination of unrealised profit on disposal of land (Note ii)	743	–	–	743
Share of results of joint ventures by the Group	477,186	102,128	(22,200)	557,114

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures (continued)

	At 31 December 2024			Total RMB'000
	CS JV RMB'000	GZ JV West RMB'000	Xintang JV RMB'000	
Current assets	2,167,666	466,736	5,089,745	
Non-current assets	6,157,203	9,591,987	193,114	
Current liabilities	(1,911,328)	(942,350)	(890,572)	
Non-current liabilities	(2,760,187)	(5,818,972)	(1,621,891)	
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	1,856,104	441,839	478,935	
Concession intangible assets	5,082,200	9,324,996	–	
Bank and other loans in current liabilities	(754,131)	(562,936)	(1,443)	
Bank and other loans in non-current liabilities	(2,089,712)	(2,963,906)	(1,621,891)	
Net assets of joint ventures	3,653,354	3,297,401	2,770,396	
Proportion of the Group's interests	45%	50%	15%	
Group's share of joint ventures' net assets	1,644,009	1,648,701	415,559	
Elimination of unrealised profit on disposal of land (Note i and ii)	(61,302)	–	–	
Effect of change in profit sharing ratio of a joint venture over the operating period in prior year	988	–	–	
Interest-free registered capital contributions made by the Group	–	1,228,806	–	
Net assets contributable to the Group	1,583,695	2,877,507	415,559	4,876,761
Carrying amount of additional cost of investment	366,925	30,983	–	397,908
Carrying amount of the Group's interest in joint ventures	1,950,620	2,908,490	415,559	5,274,669

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures (continued)

	For the year ended 31 December 2024			
	GS JV RMB'000	GZ JV West RMB'000	Xintang JV RMB'000	Total RMB'000
Profit and total comprehensive income for the year	1,242,549	250,149	(113,799)	
Group's share of dividends distributed by the joint ventures	135,000	166,489	–	
The above profit for the year includes the following:				
Toll revenue	2,885,189	1,268,679	–	
Revenue from sales of properties	–	–	938,623	
Construction revenue	766,195	124,673	–	
Depreciation and amortisation	(849,470)	(557,500)	(5,170)	
Toll expressway operation expenses	(423,613)	(228,670)	–	
Income tax	(406,680)	(95,280)	416	
Proportion of the Group's interest	45%	50%	15%	
Profit shared by the Group	559,147	125,075	(17,070)	667,152
The impact of additional development borne by the Group costs on the joint ventures	(82,717)	(1,183)	–	(83,900)
Elimination of unrealised profit on disposal of land (Note ii)	2,008	–	–	2,008
Share of results of joint ventures by the Group	478,438	123,892	(17,070)	585,260

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Interests in joint ventures (continued)

Summarised financial information of joint ventures (continued)

Notes:

- (i) GS JV disposed of certain land with a carrying amount of RMB3,990,000 to the local government at a total consideration of RMB179,022,000 in November 2019. Subsequently, Xintang JV won the bid for the land use rights with the local government to acquire part of the aforesaid disposed land at a total consideration of RMB4,124,000,000 in December 2019. As at 31 December 2019, a sale and purchase agreement was entered into by Xintang JV and the local government while the land was handed over in 2020. GS JV is regarded as disposing of certain land with a carrying amount of RMB2,643,000 to Xintang JV. An unrealised profit on disposal of such land amounting to RMB32,611,000 was eliminated in the consolidated financial statements of the Group in 2019. In 2020, after completing a partial sale of the Xintang joint venture, unrealised profits of RMB19,567,000 was released.

During the year, upon recognition of sales of properties of Xintang JV, unrealised profit of RMB743,000 (2024: RMB2,008,000) was released.

- (ii) In 2022, a sale and purchase agreement of land was entered into by GS JV and the local government. GS JV disposed of certain land with a carrying amount RMB5,566,000 to the local government at a total consideration of RMB319,346,000 and the legal title of the land was transferred to local government in December 2022, resulting in a gain on disposal of RMB235,335,000 (net of tax). In addition, the local government has published an auction plan for certain portion of the land being disposed. As this is the intention of the management to establish a new project company with other company and acquire the land for property development project, this is considered to be a single transaction. For the portion of land which will not be auctioned, the 45% share of gain on disposal of that piece of land amounted to RMB53,054,000 was recognised as share of results of joint ventures in 2022. For the portion of land which will be auctioned, share of the gain amounted to RMB52,847,000 was considered as unrealised profit and eliminated in the consolidated financial statements of the Group as at 31 December 2022. That portion of land has not been auctioned yet since 2022 and no further unrealised profit was released since then.

19 Equity instrument at FVOCI

The Group holds certain interest in an unlisted limited company established in Chinese Mainland, which directors have elected to designate the investment in equity instrument as at FVOCI as they believe that the investment is not held for trading and not expected to be sold in the foreseeable future.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

20 Trade and other receivables

	2025 RMB'000	2024 RMB'000
Trade receivables	147,360	144,558
Dividend receivable from a joint venture	–	135,000
Deposits and prepayment	2,340	2,200
Amounts due from related parties	2,797	4,082
Others	5,914	4,413
	11,051	145,695
	158,411	290,253

As at 31 December 2025 and 2024, entire balances of trade receivables are pledged to a bank to secure bank facilities granted by the bank to a subsidiary.

The following is the ageing analysis of trade receivables presented based on the revenue recognition date:

	2025 RMB'000	2024 RMB'000
0–60 days	9,758	28,342
61–90 days	–	15,787
91–180 days	–	49,082
181–365 days	–	51,347
Over 1 year	137,602	–
	147,360	144,558

Included in the balance is an amount of RMB137,602,000 (2024: RMB137,602,000) relating to subsidies on toll fee from the government.

21 Structured deposits

At 31 December 2025, the Group's structured deposits represent financial products issued by banks, with maturity of 63 days and 67 days and expected returns at 1.65% and 1.66% per annum respectively.

22 Time deposits

Time deposits are deposit certificates issued by bank in Chinese Mainland and bear fixed interest rate.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

23 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash at bank and in hand	891,640	795,701
Less: restricted bank deposits	(34,558)	(62,415)
	857,082	733,286

(b) Reconciliation of profit before tax to cash generated from operations:

	2025 RMB'000	2024 RMB'000
Profit before tax	702,518	715,916
Adjustments for:		
Dividend income from equity instrument at FVOCI	(588)	(528)
Interest income from time deposits	(11,563)	(9,883)
Investment income from structured deposits	(1,297)	(3,521)
Interest expense	126,641	175,019
Exchange loss	3,151	11,392
Depreciation of property, plant and equipment	22,030	21,732
Depreciation of right-of-use assets	8,944	8,959
Amortisation of concession intangible assets and other intangible assets	309,630	248,943
Loss/(gain) on disposal of property, plant and equipment	25	(16)
Share of results of joint ventures	(557,114)	(585,260)
Changes in working capital:		
Increase in inventories	(13)	(16)
Increase in trade and other receivables	(3,130)	(6,024)
Increase/(decrease) in trade and other payables	32,490	(5,804)
Cash generated from operation	631,724	570,909

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

23 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities

	<i>Bank loans RMB'000</i>	<i>Lease liabilities RMB'000</i>	<i>Dividend payable RMB'000</i>	<i>Amount due to non- controlling interests RMB'000</i>	<i>Total RMB'000</i>
At 1 January 2025	4,532,130	5,116	–	–	4,537,246
Changes from financing cash flows:					
Proceeds from new bank loans	5,945,451	–	–	–	5,945,451
Repayment of bank loans	(5,574,314)	–	–	–	(5,574,314)
Interest paid on bank loans	(123,516)	–	–	–	(123,516)
Dividend paid	–	–	(452,375)	–	(452,375)
Dividend paid to non-controlling interests	–	–	–	(2,025)	(2,025)
Capital element of lease rentals paid	–	(3,203)	–	–	(3,203)
Interest element of lease rentals paid	–	(94)	–	–	(94)
Total changes from financing cash flows	247,621	(3,297)	(452,375)	(2,025)	(210,076)
Other changes:					
Interest expenses (Note 8)	126,195	446	–	–	126,641
Dividends declared	–	–	453,009	–	453,009
Dividends declared to non-controlling interests	–	–	–	6,446	6,446
New lease entered	–	28,556	–	–	28,556
Rent payable	–	(6,394)	–	–	(6,394)
Exchange differences	(77,886)	54	(634)	–	(78,466)
Total other changes	48,309	22,662	452,375	6,446	529,792
At 31 December 2025	4,828,060	24,481	–	4,421	4,856,962

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

23 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities (continued)

	<i>Bank loans</i> RMB'000	<i>Lease liabilities</i> RMB'000	<i>Dividend payable</i> RMB'000	<i>Total</i> RMB'000
At 1 January 2024	4,031,891	13,763	–	4,045,654
Changes from financing cash flows:				
Proceeds from new bank loans	1,908,043	–	–	1,908,043
Repayment of bank loans	(1,481,241)	–	–	(1,481,241)
Interest paid on bank loans	(168,521)	–	–	(168,521)
Dividend paid	–	–	(608,020)	(608,020)
Capital element of lease rentals paid	–	(15,594)	–	(15,594)
Interest element of lease rentals paid	–	(1,018)	–	(1,018)
Total changes from financing cash flows	258,281	(16,612)	(608,020)	(366,351)
Other changes:				
Interest expenses (Note 8)	174,563	456	–	175,019
Dividends declared	–	–	596,307	596,307
New lease entered	–	701	–	701
Other	–	6,720	–	6,720
Exchange differences	67,395	88	11,713	79,196
Total other changes	241,958	7,965	608,020	857,943
At 31 December 2024	4,532,130	5,116	–	4,537,246

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within financing cash flows	(3,297)	(16,612)

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

24 Trade and other payables

	2025 RMB'000	2024 RMB'000
Trade payables to third parties	138,264	153,680
Amount due to Shenzhen Expressway		
— trade	58,221	49,707
— non-trade (Note (i))	14,423	5,325
Amounts due to other related parties (Note (i))	100,578	82,060
Subsidies received from government (Note (ii))	32,256	60,113
Amount due to non-controlling interests	4,421	—
Deposits and retention payables	4,596	4,702
Accruals on maintenance expenses	37,406	28,106
Payroll payables	24,698	21,851
Others	15,315	16,399
	430,178	421,943

Notes:

- (i) The amounts are unsecured and repayable on demand.
- (ii) The amount represents unutilised portion of government subsidies received from Shenzhen Finance Bureau for the purpose of construction of phase two of the Coastal Expressway.

The following is the ageing analysis of trade payables, including trade amount due to Shenzhen Expressway, presented based on the recognition dates:

	2025 RMB'000	2024 RMB'000
Within 1 year	8,514	32,534
Over 1 year	187,971	170,853
	196,485	203,387

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

25 Lease liabilities

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	8,267	5,037
After 1 year but within 2 years	8,399	79
After 2 years but within 5 years	7,815	–
	24,481	5,116
Less: Amount due for settlement within one year (shown under current liabilities)	(8,267)	(5,037)
Amounts due for settlement after one year	16,214	79

No extension options are included in any of the lease agreements entered by the Group. The weighted average incremental borrowing rates applied by the relevant group entity are ranging from 2.48% to 3.45% per annum (2024: 3.02% to 3.70%). The lease liabilities are measured at the present value of the lease payments that are not yet paid, and the lease obligations are denominated in the currency that is same as the functional currency of the relevant group entity.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

26 Bank loans

	2025	2024
	RMB'000	RMB'000
Unpledged (Note (a))	4,800,160	4,502,130
Pledged (Note (b))	27,900	30,000
	4,828,060	4,532,130

Note:

- (a) As at 31 December 2025 and 2024, the amount of the bank loans of the Group guaranteed by the Company is RMB2,398,853,000 (2024: RMB3,694,779,000).
- (b) As at 31 December 2025 and 2024, the bank loan is pledged by the toll collection rights and the concession intangible assets of the Coastal Expressway of the Coastal Company.

Included in bank loans are amounts denominated in the following currencies:

	2025	2024
	RMB'000	RMB'000
HKD	997,906	2,093,655
RMB	3,830,154	2,438,475

	2025	2024
	RMB'000	RMB'000
The borrowings are repayable as follows:		
Within one year	3,504,260	3,104,230
After 1 year but within 2 years	300,100	202,100
After 2 years but within 5 years	1,006,300	1,206,300
After 5 years	17,400	19,500
	4,828,060	4,532,130
Less: Amounts due for settlement within one year (shown under current liabilities)	(3,504,260)	(3,104,230)
Amounts due for settlement after 1 year	1,323,800	1,427,900

As at 31 December 2025, variable rate HKD denominated bank loans carried interests are not higher than Hong Kong Interbank Offered Rate ("HIBOR") plus 0.20% (2024: not higher than HIBOR plus 1.30%) per annum, and variable rate RMB denominated bank loans carried interests are not higher than Loan Prime Rate minus 0.85% (2024: not higher than Loan Prime Rate minus 0.85%) per annum.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 Deferred tax

	2025 RMB'000	2024 RMB'000
Net deferred tax assets	24,155	54,448
Net deferred tax liabilities	(194,352)	(180,626)
	(170,197)	(126,178)

The movement of deferred tax assets (liabilities) is as follows:

Deferred tax arising from:	Excess of tax amortisation over accounting amortisation and impairment of intangible assets RMB'000	Fair value change on investment in equity instrument at FVOCI RMB'000	Tax on undistributed earnings of subsidiary and joint ventures RMB'000	Tax on dividends from a joint venture reinvested RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	93,437	(1,780)	(106,025)	(50,732)	23,322	220	(41,558)
Charged to profit or loss	(39,184)	-	(30,152)	-	(23,322)	(25)	(92,683)
Charged to other comprehensive income	-	(261)	-	-	-	-	(261)
Release to profit or loss upon declaration of dividends	-	-	8,324	-	-	-	8,324
At 31 December 2024 and 1 January 2025	54,253	(2,041)	(127,853)	(50,732)	-	195	(126,178)
Charged to profit or loss	(30,285)	-	(28,908)	-	-	(8)	(59,201)
Charged to other comprehensive income	-	(381)	-	-	-	-	(381)
Reclassification	-	-	14,492	(14,492)	-	-	-
Release to profit or loss upon declaration of dividends	-	-	15,563	-	-	-	15,563
31 December 2025	23,968	(2,422)	(126,706)	(65,224)	-	187	(170,197)

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Capital, reserves and dividends

(a) Share capital

	<i>Number of shares</i>	<i>Nominal amount HKD'000</i>	
Ordinary shares of HKD0.1 each			
Authorised:			
As at 31 December 2025 and 2024	10,000,000,000	1,000,000	
	<i>Number of shares</i>	<i>Nominal amount Equivalent to HKD'000 RMB'000</i>	
Issued and fully paid:			
As at 31 December 2025 and 2024	3,081,690,283	308,169	270,603

(b) Dividends

(i) Dividends recognised as a distribution during the year:

	<i>2025 RMB'000</i>	<i>2024 RMB'000</i>
Final dividend for the year ended 31 December 2024 paid of RMB7.15 cents (equivalent to HK7.742020 cents) (2024: for the year ended 31 December 2023 paid of RMB11.55 cents (equivalent to HK12.724173 cents)) per share	220,341	355,935
Interim dividend for the year ended 31 December 2025 paid of RMB7.55 cents (equivalent to HK8.2917875 cents) (2024: for the year ended 31 December 2024 paid of RMB7.80 cents (equivalent to HK8.522358 cents)) per share	232,668	240,372
	453,009	596,307

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Capital, reserves and dividends (continued)

(b) Dividends (continued)

(ii) Proposed dividends:

	2025	2024
	RMB'000	RMB'000
Final dividend for the year ended 31 December 2025 proposed of RMB7.60 cents (equivalent to HK8.644392 cents) (2024: for the year ended 31 December 2024 proposed of RMB7.15 cents (equivalent to HK7.742020 cents)) per share	234,208	220,341

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(c) Share premium

It represents the excess of the net proceeds from issuance of the Company's shares over its par value.

(d) Statutory reserve

Pursuant to applicable PRC regulations, Chinese Mainland companies are required to appropriate 10% of their profit after taxation (after offsetting prior years' losses) to the reserve until such reserve reaches 50% of the registered capital.

(e) Investment revaluation reserve

Investment revaluation reserve has been set up and is dealt with in accordance with the accounting policy set out in note 3(r).

(f) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements for the entity's functional currency which is not RMB. The reserve is dealt with in accordance with the accounting policies set out in note 3(n).

(g) Capital reserve

Capital reserve is formed due to the merger and acquisition of 51% equity of the Coastal Company by the same controlling enterprise in 2022 by Shenzhen Bay Infrastructure: represented the 51% share of registered capital and capital reserve of the Coastal Company amounting less the difference between (a) the capital reduction of the Coastal Company and add (b) the 49% share by non-controlling interests in the net movement in registered capital and capital reserve amounting.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

29 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 owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from that of the prior years.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities respectively, net of cash and cash equivalents and equity attributable to equity shareholders of the Company, comprising share capital, share premium, retained profits and other reserves.

The directors review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the issue of new debt or the repayment of existing debt.

The directors monitor the utilisation of bank loans and ensures full compliance with loan covenants during the year.

30 Financial risk management and fair values of financial instruments

The directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The directors monitor and manage the financial risks relating to the operations of the Group to ensure appropriate measures are implemented on a timely and effective manner. Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, restricted bank deposits and bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments

(continued)

(a) Credit risk (continued)

Trade receivables

The Group has a significant concentration credit risk as all trade receivables mainly come from two debtors as at 31 December 2025 and 2024. The credit risk on trade receivables is limited because the debtors are governmental organisations and state-owned enterprises with good reputation and repayment records.

The management of the Group regularly follows up the subsequent settlement from the counterparties. In this regard, the management of the Group considers that this credit concentration risk has been significantly mitigated. In order to minimise the credit risk on trade receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group applies simplified approach and always recognises lifetime ECL for trade receivables on an individual basis. Taking into account the financial condition of the customers and historical settlement pattern with no history of default in the past and the forward-looking information, the management of the Group considers the trade receivables are at lower risk under internal credit rating assessment and the probability of default of the counterparties was low. The ECL arising from the trade receivables was insignificant and no loss allowance provision was recognised as at 31 December 2025 and 2024. There were no credit-impaired trade receivables as at 31 December 2025 and 2024.

Restricted deposits and bank deposits

The credit risks of the Group on these deposits are limited because the counterparties are banks with good reputation.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. Historically, the Group has relied principally on both operational sources of cash and non-operational sources of equity and debt financing to fund its operations and business development.

Considered historical cash requirements, working capital and capital expenditures plans, estimated cash flows provided by operations, existing cash on hand, ability to renew or refinance banking and other financing facilities upon maturity as well as other key factors, including utilisation of credit facilities granted by financial institutions and ability to adjust the scheduled capital commitments. Management believes the assumptions used in the cash forecast are reasonable.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments

(continued)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	2025					
	Contractual undiscounted cash outflow					
	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount at 31 December
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	430,178	-	-	-	430,178	430,178
Lease liabilities	8,862	8,783	7,987	-	25,632	24,481
Bank loans	3,555,707	327,693	1,033,444	19,313	4,936,157	4,828,060
	3,994,747	336,476	1,041,431	19,313	5,391,967	5,282,719

	2024					
	Contractual undiscounted cash outflow					
	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount at 31 December
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	421,943	-	-	-	421,943	421,943
Lease liabilities	5,110	79	-	-	5,189	5,116
Bank loans	3,167,839	233,613	1,261,188	22,458	4,685,098	4,532,130
	3,594,892	233,692	1,261,188	22,458	5,112,230	4,959,189

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments

(continued)

(c) Interest rate risk

(i) Interest rate risk

The cash flows interest rate risk of the Group relates primarily to variable rate bank loans with details as set out in note 26 and the variable rate bank loans of its joint ventures.

The Group is exposed to fair value interest risk in relation to certain lease liabilities (see note 25). The management continues to monitor the fair value interest rate exposure of the Group.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of certain interbank offered rates (“IBORs”) with alternative nearly risk-free rates. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

For the floating rate loans that are linked to HIBOR, the management expects the HIBOR will continue to maturity. Accordingly, the management does not expect there is significant uncertainty or risks arising from the interest rate benchmark reform.

(ii) Sensitivity analysis

The sensitivity analysis includes only variable financial instruments outstanding at the end of the reporting period were outstanding for the whole period. A 100 basis points is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

As at 31 December 2025, the Group (excluding its joint ventures) are exposed to cash flow interest rate in relation to the variable rate bank loans. If interest rate had been 100 basis points higher/lower, the profit for the year of equity shareholders would decrease/increase by RMB21,436,000 (2024: RMB27,916,000).

As at 31 December 2025, the joint ventures of the Group are exposed to cash flow interest rate risk in relation to the variable rate bank loans. If interest rate had been 100 basis points higher/lower, the profit for the year of equity shareholders would decrease/increase by RMB24,106,000 (2024: RMB24,625,000).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments

(continued)

(d) Currency risk

(i) Exposure to currency risk

The Group undertake certain transactions denominated in foreign currencies, hence exposure to exchange fluctuation arises. Certain of the financial assets and financial liabilities of the Group are denominated in HKD or USD which are currencies other than their respective functional currencies of the respective group entities. The Group manages its foreign currency risk by constantly monitoring the movement of the foreign exchange rates.

The carrying amounts of financial assets and financial liabilities of the entities comprising the Group (not including joint ventures) denominated in currencies other than their respective functional currencies at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Assets		
— HKD	29,620	16,824
Liabilities		
— HKD	—	2,809
— RMB	—	30
— USD	—	6

In addition, the carrying amounts of monetary assets and monetary liabilities of the Group's joint ventures denominated in currencies other than their respective functional currencies at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Assets		
— HKD	9	9
Liabilities		
— HKD	489,373	1,541,825

The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments

(continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The foreign currency risk of the Group and a joint venture is mainly concentrated on the fluctuation of RMB, the functional currency of the Company, its subsidiaries and a joint venture as at 31 December 2025, against HKD and USD. The following sensitivity analysis includes currency risk related to HKD and USD denominated monetary items of respective group entities and the joint venture.

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents 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 year end for a 5% change in foreign currency rate and all other variables are held constant.

As at 31 December 2025, the entities comprising the Group (excluding the joint ventures) had monetary assets and monetary liabilities denominated in HKD and USD that is not the functional currency of the relevant group entities (i.e. RMB). If exchange rate of RMB against HKD and USD had been strengthened/weakened by 5%.(2024: 3%), the profit for the year attributable to equity shareholders of the Company for the current year would increase by RMB1,111,000 (2024: RMB315,000).

As at 31 December 2025, a joint venture of the Group had outstanding bank loans and bank deposits denominated in HKD that are not the functional currency of a joint venture (i.e. RMB). The foreign currency risk associated with foreign currency borrowings and bank deposits exposed by a joint venture is reflected in the share of results of joint ventures. If exchange rate of RMB against HKD had been strengthened/weakened by 5%.(2024: 3%), the profit for the year attributable to equity shareholders of the Company for the current year would decrease by RMB8,258,000 (2024: RMB15,611,000).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in *HKFRS 13, Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

<i>Financial assets</i>	2025	2024	<i>Fair value hierarchy</i>	<i>Valuation technique and key inputs</i>	<i>Significant unobservable inputs</i>	<i>Relationship of unobservable inputs to fair value(Note)</i>
Equity instrument at fair value through other comprehensive income	Unlisted equity investment: RMB24,893,000	Unlisted equity investment: RMB21,086,000	Level 3	Market Approach	Price-to-book multiples of several comparable companies with average at 2.11 (2024: 2.02) Risk adjustment for a discount on lack of marketability at 32.32% (2024: 32.32%)	The higher the multiples, the higher the fair value The higher the discount, the lower the fair value
Structured deposits	RMB420,210,000	Nil	Level 3	Discounted cash flow	Potential return rate of 1.00% to 1.76% (2024: 2.56% to 3.65%) per annum	The higher the potential return rate, the higher the fair value

Note: If the price-to-book multiples to the valuation model is 5% higher/lower, while all the other variables were held constant, the fair value would increase/decrease by approximately RMB1,244,000 (2024: RMB1,054,000). If the risk adjustment for a discount on lack of marketability to the valuation model is 5% higher/lower, while all the other variables were held constant, the fair value would decrease/increase by approximately RMB594,000 (2024: RMB503,000).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Financial risk management and fair values of financial instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements

	<i>Equity instrument at FVOCI RMB'000</i>	<i>Structured deposits RMB'000</i>
At 1 January 2024	18,477	320,372
Total gains:		
— in profit or loss	—	3,521
— in other comprehensive income	2,348	—
Purchase	—	350,000
Withdrawal	—	(670,000)
Interest received	—	(3,893)
Deferred taxes	261	—
At 31 December 2024	21,086	—
At 1 January 2025	21,086	—
Total gains:		
— in profit or loss	—	1,297
— in other comprehensive income	3,426	—
Purchase	—	840,000
Withdrawal	—	(420,000)
Interest received	—	(1,087)
Deferred taxes	381	—
At 31 December 2025	24,893	420,210

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of the financial assets and financial liabilities recognised at amortised cost approximate their fair values.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Particulars of principal subsidiaries

The following list contains the particulars of the subsidiaries of the Company at 31 December 2025 and 2024 which principally affect the results, assets or liabilities of the Group as the directors are of the opinion.

Name of subsidiary	Place and date of incorporation/ establishment	Place of operations	Issued and fully paid share		Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activity
			2025	2024	2025	2024	2025	2024	
Kingnice (BVI) Limited	British Virgin Islands 24 May 2017	Hong Kong, China	ordinary shares US\$20,000	ordinary shares US\$20,000	97.5%	97.5%	97.5%	97.5%	Investment holding
Hopewell China Development (Superhighway) Limited	Hong Kong, China 30 October 1981	Hong Kong, China	Ordinary shares HK\$2 Non-voting deferred shares HK\$Nil	Ordinary shares HK\$2 Non-voting deferred shares HK\$Nil	97.5% of issued ordinary shares	97.5% of issued ordinary shares	97.5%	97.5%	Investment holding
Hopewell Guangzhou-Zhuhai Superhighway Development Limited	Hong Kong, China 3 September 1992	Hong Kong, China	Ordinary shares HK\$2 Non-voting deferred shares HK\$Nil	Ordinary shares HK\$2 Non-voting deferred shares HK\$Nil	100% of issued ordinary shares	100% of issued ordinary shares	100.0%	100.0%	Investment in expressway project
SIH Bay Area Finance Limited	Hong Kong, China 9 July 2005	Hong Kong, China	Ordinary share HK\$1	Ordinary share HK\$1	100.0%	100.0%	100.0%	100.0%	Loan finance
Shenwan Bay Area Infrastructure (Shenzhen) Company Limited (a)	Chinese Mainland 16 October 2019	Chinese Mainland	Paid-in capital RMB1,894,785,997	Paid-in capital RMB1,894,785,997	97.5%	97.5%	97.5%	97.5%	Investment holding
The Coastal Company (a)	Chinese Mainland 1 December 2008	Chinese Mainland	Paid-in capital RMB5,714,285,714	Paid-in capital RMB5,714,285,714	51.0%	51.0%	51.0%	51.0%	Investment, construction and operation of an expressway

(a) These entities are limited liability companies established in the PRC.

(b) Except SIH Bay Area Finance Limited, all the above subsidiaries are indirectly held by the Company.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Particulars of principal subsidiaries (continued)

Details of non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation/ establishment	Proportion of ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The Coastal Company	Chinese Mainland	49%	49%	113,989	128,540	3,168,964	3,054,974

Summarised financial information in respect of the Coastal Company is set out below. The summarised financial information below represents amounts before intragroup eliminations.

The Coastal Company

	2025 RMB'000	2024 RMB'000
Current assets	1,216,564	652,429
Non-current assets	5,689,734	6,036,298
Current liabilities	(413,225)	(426,186)
Non-current liabilities	(25,800)	(27,900)
Total equity	6,467,273	6,234,641

	2025 RMB'000	2024 RMB'000
Revenue	786,413	879,489
Profit and total comprehensive income for the year	232,632	262,327
Net cash inflow from operating activities	613,004	616,541
Net cash outflow from investing activities	(439,947)	(274,447)
Net cash outflow from financing activities	(2,919)	(749)

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

32 Capital commitments

Other than those disclosed in note 18, commitments outstanding at 31 December 2025 and 2024 contracted but not provided for in these consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Construction of expressway	7,603	7,603

33 Related party transactions

(a) Transactions with related parties

Other than as disclosed elsewhere in these consolidated financial statements, the Group also entered into the following transactions with Shenzhen Expressway and its subsidiaries, as well as joint ventures of the Group during the years ended 31 December 2025 and 2024:

	2025 RMB'000	2024 RMB'000
Maintenance expenses	53,065	43,591
Construction costs	8,514	19,143
Rental and services income	8,019	6,889
Management fee expenses	4,708	3,651
Acquisition of intangible assets	2,496	–

(b) Balances with related parties

The balances with related parties are set out in notes 20 and 24.

(c) Compensation of key management personnel

The remuneration of key management personnel who are all directors is disclosed in note 10.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

34 Company-level statement of financial position

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investments in subsidiaries	1,141,037	1,149,322
Amount due from a subsidiary	1,868,471	1,905,258
Others	6,604	534
	3,016,112	3,055,114
Current assets		
Trade and other receivables	2,495	1,032
Amounts due from subsidiaries	2,190,186	1,983,031
Cash and cash equivalents	60,508	36,574
	2,253,189	2,020,637
Total assets	5,269,301	5,075,751
Non-current liabilities		
Lease liabilities	3,885	–
Current liabilities		
Bank loans	2,301,236	807,351
Trade and other payables	14,089	12,072
Lease liabilities	2,246	–
Amounts due to subsidiaries	923,419	2,018,449
	3,240,990	2,837,872
Total liabilities	3,244,875	2,837,872
Capital and reserves		
Share capital	270,603	270,603
Share premium and reserves	1,753,823	1,967,276
Total equity	2,024,426	2,237,879

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

34 Company-level statement of financial position (continued)

The Company's share premium and reserves

The Company's reserves available for distribution represent the share premium and retained profits. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of a dividend, the Company is able to pay its debt as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits and share premium of the Company. As at 31 December 2025, the Company's reserves available for distribution to its shareholders amounting to RMB2,046,699,000 (2024: RMB2,337,876,000), comprising retained profits of RMB239,743,000 (2024: RMB187,000) and share premium of RMB1,806,956,000 (2024: RMB2,337,689,000).

	<i>Share premium</i> RMB'000	<i>Translation reserve</i> RMB'000	<i>Retained profits</i> RMB'000	<i>Total</i> RMB'000
Balance at 1 January 2024	2,337,689	(370,600)	544,037	2,511,126
Changes in equity for 2024:				
Profit for the year and total comprehensive income	–	–	52,457	52,457
Dividends declared	–	–	(596,307)	(596,307)
Total comprehensive income	–	–	(543,850)	(543,850)
Balance at 31 December 2024	2,337,689	(370,600)	187	1,967,276
Changes in equity for 2025:				
Profit for the year and total comprehensive income	–	–	239,556	239,556
Dividends declared	(530,733)	77,724	–	(453,009)
Total comprehensive income	(530,733)	77,724	239,556	(213,453)
Balance at 31 December 2025	1,806,956	(292,876)	239,743	1,753,823

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity	1 January 2026
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

36 Approval of financial statements

The consolidated financial statements on pages 115 to 188 were approved and authorised for issue by the Board of Directors on 18 March 2026.

Glossary

“2016/17”	the year ended 30 June 2017
“2017/18”	the year ended 30 June 2018
“2H 2018”	the six months ended 31 December 2018
“2019”	the year ended 31 December 2019
“2020”	the year ended 31 December 2020
“2021”	the year ended 31 December 2021
“2022”	the year ended 31 December 2022
“2023”	the year ended 31 December 2023
“2024”	the year ended 31 December 2024
“2025”	the year ended 31 December 2025
“2025 Annual General Meeting”	the annual general meeting convened on 21 May 2025 by the Company
“2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement”	the agreement dated 23 January 2025 entered into between the Coastal Company and Engineering Development Company in relation to the provision of daily maintenance, electrical maintenance and towing services for the Coastal Expressway (Shenzhen Section) in 2025, as disclosed in the Company’s announcement dated 23 January 2025
“2026 Annual General Meeting”	the annual general meeting to be held on 24 June 2026 by the Company
“2025–2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement”	an agreement dated 25 July 2025 entered into between the Coastal Company and Operation Development Company in relation to provision of the operational and maintenance management services for Coastal Expressway (Shenzhen Section), as disclosed in the Company’s announcement dated 25 July 2025 and the supplemental announcement dated 25 August 2025
“2025–2028 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement”	the agreement dated 30 June 2025 entered into between the Coastal Company and the Engineering Development Company in relation to the provision of the maintenance services to the Coastal Expressway (Shenzhen Section), for a term of three years commencing from 1 July 2025, as disclosed in the Company’s announcement dated 30 June 2025
“2025–2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement”	the agreement dated 29 July 2025 entered into between the Coastal Company and Guangdong Qizhen Highway Engineering Limited* (廣東啟振公路工程有限公司) in relation to the provision of the repair services to the Coastal Expressway (Shenzhen Section), for a term of three years commencing from 30 July 2025, as disclosed in the Company’s announcement dated 29 July 2025

Glossary

“Approved GZ-DG Road Section”	the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway* (京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段)
“Approved GZ-DG Road Section R&E Project”	the reconstruction and expansion project of the Approved GZ-DG Road Section approved by Guangdong Provincial Development and Reform Commission on 22 August 2023
“Approved SZ Road Section”	Shenzhen section of the Beijing-Hong Kong-Macao Expressway (京港澳高速公路深圳段)
“Approved SZ Road Section R&E Project”	the reconstruction and expansion project of the Approved SZ Road Section approved by Guangdong Provincial Development and Reform Commission on 7 June 2025
“Audit Committee”	the audit committee of the Company
“Attached Buildings”	buildings constructed on the Resumed Land with an aggregated gross floor area of 13,785.70 square metres, as disclosed in the Company’s announcement dated 30 September 2022
“Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project”	the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway* (京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段) and the reconstruction and expansion project for the Shenzhen section of the Beijing-Hong Kong-Macao Expressway
“Board”	the board of Directors
“Capital Contribution”	Hopewell China Development and Guangdong Highway Construction agreed to contribute, by way of registered capital, RMB3,285 million and RMB4,015 million, respectively, to GSZ Company under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement regarding the Capital Contribution to GSZ Company entered into between Hopewell China Development and Guangdong Highway Construction on 24 January 2025
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“CH and Humen Port Phase I R&E Project”	the reconstruction and expansion construction project of the Ningbo-Dongguan-Foshan Expressway Changping to Humen Section and the Phase I of the Humen Port Branch Line* (甬莞-莞佛高速公路常平至虎門段及虎門港支線一期改擴建工程項目), comprising the CH R&E Project and the reconstruction and expansion construction project of Phase I of the Humen Port Branch Line, which connects the Changping-Humen Expressway and ends at the Xinlian Interchange

Glossary

“CH Extension Project”	the extension project of Ningbo-Dongguan-Foshan Expressway Changping to Humen Section* (甬莞-莞佛高速公路常平至虎門段延長線項目), starting at the Wudianmei Interchange and ending at Chang’an interchange (長安立交) of Guangshen Coastal Expressway
“CH R&E Project”	the reconstruction and expansion construction project of the Ningbo-Dongguan-Foshan Expressway Changping to Humen Section* (甬莞-莞佛高速公路常平至虎門段改擴建項目), starting at Changping, Dongguan and ending at the Wudianmei Interchange
“Chinese Mainland”	the PRC, excluding Hong Kong and Macao
“Coastal Company”	Shenzhen Guangshen Coastal Expressway Investment Company Limited* (深圳市廣深沿江高速公路投資有限公司), a company incorporated in the PRC with limited liability, the equity interest of which is currently held as to 51% and 49% by the Company and Shenzhen Expressway respectively
“Coastal Expressway (Shenzhen Section)”	the Shenzhen section of Guangshen Coastal Expressway, which comprises of Coastal Phase I and Coastal Phase II
“Coastal Phase I”	Phase I of Coastal Expressway (Shenzhen Section), on the main line of Coastal Expressway (Shenzhen Section), the toll mileage is approximately 30.9 km and was opened to traffic on 28 December 2013
“Coastal Phase II”	Phase II of Coastal Expressway (Shenzhen Section) which includes two parts, being the interchange of the International Convention and Exhibition Center which has completed construction and opened to traffic in 2019 and the connection lane on the Shenzhen side of Shenzhen-Zhongshan Link which has total length of approximately 5.7 km and was opened to traffic on 30 June 2024
“Company”	Shenzhen Investment Holdings Bay Area Development Company Limited (深圳投控灣區發展有限公司), a subsidiary of Shenzhen Expressway held as approximately 71.83% and a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock codes: 00737 (HKD Counter) and 80737 (RMB Counter))
“Completion of the Capital Contribution Matters”	(i) the Capital Increase Agreement become effective; and (ii) in accordance with the provisions of the prevailing Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) and the Company Law of the People’s Republic of China (《中華人民共和國公司法》), GSZ Company amends its organisational forms and structures, and GSZ Company’s New Articles of Association obtains all necessary consents from relevant government or regulatory agencies, and completes the registration or filing of amendment to GSZ Company’s registered capital, shareholder structure and other relevant registration procedures with relevant government agencies in China (if applicable), as disclosed in the Company’s announcement dated 24 January 2025 and the circular dated 28 February 2025

Glossary

“Compensation Agreement”	the Compensation Agreement for Resumption of State owned Land Use Rights* (收回國有土地使用權補償合同) entered into among Land Reserve Centre, GS JV and the Representatives on 30 September 2022 in relation to the Land Resumption, as disclosed in the Company’s announcement dated 30 September 2022
“Construction Management Agreements”	the Joint Construction Management Agreement (Wudianmei Interchange) and the Entrusted Construction Management Agreement (Xinlian Interchange)
“Construction Projects Connecting Wudianmei Interchange”	the Approved GZ-DG Road Section R&E Project, the CH R&E Project and the CH Extension Project
“Construction Projects Connecting Xinlian Interchange”	the Approved GZ-DG Road Section R&E Project, the Shiziyang Project, and the CH and Humen Port Phase I R&E Project
“Construction Works Agreement (TJ7 Bid Section)”	the civil engineering construction works agreement (TJ7 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同(第TJ7標段)》) dated 8 October 2024 entered into between GSZ Company and China Railway No. 4 Engineering Group Co., Ltd.* (中鐵四局集團有限公司), as disclosed in the Company’s announcement dated 8 October 2024
“Construction Works Agreements (TJ6–TJ9 and LM Bid Sections)”	Construction Works Agreement (TJ6 Bid Section), Construction Works Agreement (TJ7 Bid Section), Construction Works Agreement (TJ8 Bid Section), Construction Works Agreement (TJ9 Bid Section) and Construction Works Agreement (LM Bid Section), as disclosed in the Company’s announcement dated 8 October 2024 and the circular dated 19 November 2024
“Director(s)”	director(s) of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation (before net exchange gain/loss)
“EIT”	enterprise income tax
“Engineering Development Company”	Shenzhen Expressway Engineering Development Limited* (深圳高速工程發展有限公司), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of Shenzhen Expressway
“Entrusted Construction Management Agreement (Huocun Interchange)”	an entrusted construction management agreement dated 16 June 2025 entered into between GSZ Company and Guangzhou North Second Ring Company in relation to the GSZ Company’s Portion of Huocun Interchange Project, as disclosed in the Company’s announcement dated 16 June 2025

Glossary

“Entrusted Construction Management Agreement (Xinlian Interchange)”	an entrusted construction management agreement dated 13 June 2025 entered between GSZ Company, Guangdong Bay Area Transportation Construction Investment Co., Ltd. (廣東灣區交通建設投資有限公司) and Dongguan Luqiao Investment Construction Company Limited* (東莞市路橋投資建設有限公司) in relation to the reconstruction and management of the GSZ Company’s Portion of Xinlian Interchange Project and Guangdong Bay Area Transportation’s Portion of Xinlian Interchange Project, as disclosed in the Company’s announcement dated 13 June 2025
“Executive Committee”	the committee of Executive Directors of the Company
“Extended Toll Station”	a new toll station to be built on the right of the exit plaza of the Hezhou Toll Station with a total of 6 lanes, including 4 newly built lanes and the 2 transformed direct channels and will be wholly owned by Shenzhen Expressway, as disclosed in the Company’s announcement dated 18 September 2023
“GDP”	gross domestic product
“GPCG”	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司) and its subsidiaries collectively (including Guangdong Highway Construction)
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
“Group”	the Company and its subsidiaries
“GS JV” or “GSZ Company”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture established for the GS Superhighway
“GS Superhighway”	Guangzhou-Shenzhen Superhighway
“GSZ Company’s Portion of Huocun Interchange Project”	the reconstruction works within the scope of the 10 public ramps of Huocun Interchange to be invested and constructed by GSZ Company, including the roadbed, road surface, bridge and culvert, traffic safety settings, mechanical and electrical, green environmental protection and other projects, as well as the corresponding land expropriation demolition and pipeline relocation projects
“GSZ Company’s Portion of Wudianmei Interchange Project”	the reconstruction works within the scope of public ramps A, E, F and G of Wudianmei Interchange to be invested and constructed by GSZ Company, including the roadbed, road surface, bridge and culvert, traffic safety settings, mechanical and electrical, greening and environmental protection and other projects, as well as the corresponding land expropriation demolition and pipeline relocation projects
“GSZ Company’s Portion of Xinlian Interchange Project”	the reconstruction works within the scope of public ramps A to G of Xinlian Interchange to be invested and constructed by GSZ Company, including the roadbed, road surface, bridge and culvert, traffic safety settings, mechanical and electrical, greening and environmental protection and other projects, as well as the corresponding land expropriation demolition and pipeline relocation projects

Glossary

“Guangdong Highway Construction”	Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), the PRC joint venture partner of GS Superhighway JV and a company established in the PRC with limited liability and a non wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC
“GZ West JV”	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the GZ West Superhighway
“GZ West Superhighway”	Guangzhou-Zhuhai West Superhighway, also known as the Western Delta Route
“Hezhou Toll Station”	the toll station of GS Superhighway at the Hezhou Interchange, which is divided into north and south toll plazas, and has a total 20 lanes, as disclosed in the Company’s announcement dated 18 September 2023
“Huanghe Toll Station”	the toll station of Jihe Expressway at the Huanghe Interchange and has a total 10 lanes, as disclosed in the Company’s announcement dated 18 September 2023
“HK\$”, “HKD” or “HK Dollar(s)”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hopewell China Development”	Hopewell China Development (Superhighway) Limited (合和中國發展(高速公路)有限公司), a company established in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of the Company
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“HZM Bridge”	the Hong Kong-Zhuhai-Macao Bridge
“Joint Construction Management Agreement (Wudianmei Interchange)”	a joint co-construction management agreement dated 13 June 2025 entered between GSZ Company and Dongguan Luqiao in relation to the reconstruction and management of the GSZ Company’s Portion of Wudianmei Interchange Project and Dongguan Luqiao’s Portion of Wudianmei Interchange Project, as disclosed in the Company’s announcement dated 13 June 2025
“JV(s)”	joint venture(s)
“km”	kilometre(s)
“Land Reserve Centre”	Guangzhou Development District Land Development Reserve Exchange Centre* (廣州開發區土地開發儲備交易中心), a public institution in Guangzhou City, Guangdong Province, the PRC entrusted by Huangpu District Government to execute the Land Resumption, as disclosed in the Company’s announcement dated 30 September 2022
“Land Resumption”	the resumption of the land use rights of the Resumed Land and the Attached Buildings by Land Reserve Centre under the Compensation Agreement, as disclosed in the Company’s announcement dated 30 September 2022

Glossary

“LG Construction Works Agreement (TJ1 Section)”	the civil engineering construction works agreement (TJ1 section) under the reconstruction project of Luogang Interchange of the Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway* (《京港澳高速公路廣州至深圳段蘿崗立交改造工程土建工程施工第TJ1合同段施工承包合同》) dated 29 December 2025 and entered into between GSZ Company and Poly Changda, as disclosed in the Company’s announcement dated 29 December 2025
“LG TJ1 Section”	the road section which starts from K13+200 to K15+650, with a total length of approximately 2.456 km
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luogang Interchange”	an interchange located in Huangpu District of Guangzhou City, the PRC, one of the interchange connections along Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway
“Luogang Interchange Reconstruction Project”	the reconstruction project of the Luogang Interchange approved by Guangdong Provincial Development and Reform Commission on 9 March 2022 which is part of the reconstruction and expansion project of the Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway
“Macao” or “Macao SAR”	the Macao Special Administrative Region of the PRC
“Mechanical and Electrical Engineering Construction Agreements (JD1 and JD 2 Sections)”	Mechanical and Electrical Engineering Construction Agreement (JD1 Section) and Mechanical and Electrical Engineering Construction Agreement (JD2 Section)
“Mechanical and Electrical Engineering Construction Agreement (JD1 Section)”	the mechanical and electrical engineering construction agreement (JD1 Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目機電工程施工合同(第JD1合同段)》) dated 26 September 2025 entered into between GSZ Company and Guangdong Xinyue Transportation Investment Co., Ltd.* (廣東新粵交通投資有限公司), as disclosed in the Company’s announcement dated 26 September 2025
“Mechanical and Electrical Engineering Construction Agreement (JD2 Section)”	the mechanical and electrical engineering construction agreement (JD2 Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目機電工程施工合同(第JD2合同段)》) dated 26 September 2025 entered into between GSZ Company and Beijing GK Feida Traffic Engineering Co., Ltd.* (北京公科飛達交通工程發展有限公司), as disclosed in the Company’s announcement dated 26 September 2025

Glossary

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“net toll revenue”	toll revenue after related tax
“New Hezhou Toll Station”	the combined toll station of Hezhou Toll Station and Extended Toll Station, and has 26 lanes, as disclosed in the Company’s announcement dated 18 September 2023
“Nomination Committee”	the nomination committee of the Company
“Operation Development Company”	Shenzhen Expressway Operation Development Limited* (深圳高速運營發展有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Shenzhen Expressway
“Poly Changda”	Poly Changda Engineering Company Limited * (保利長大工程有限公司) is a limited liability company established in the PRC
“PRC”	the People’s Republic of China
“Project Land”	the land (plot number: 83101203A19206) located at the Xintang interchange on both sides of the GS Superhighway, as disclosed in the Company’s announcement dated 29 November 2019
“Remuneration Committee”	the remuneration committee of the Company
“Representatives”	Guangzhou Huangpu District People’s Government Yunpu Street Office* (廣州市黃埔區人民政府雲埔街道辦事處) and Guangzhou Dongjin New District Development Co. Ltd.* (廣州東進新區開發有限公司), a limited company established in the PRC, as disclosed in the Company’s announcement dated 30 September 2022
“Resumed Land”	two land parcels located at the Luogang Interchange of Huangpu District of Guangzhou City, the PRC (i.e. in the Guangzhou section of the GS Superhighway) with an aggregated ascertained site area of 294,540.09 square metres, as disclosed in the Company’s announcement dated 30 September 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shenwan Infrastructure”	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited* (深灣基建(深圳)有限公司), a company established in the PRC with limited liability established by the Company for investment in the Xintang JV

Glossary

“Shenzhen Expressway”	Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
“Shenzhen International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00152)
“Shiziyang Project”	Shiziyang tunnel project, a major infrastructure initiative in China’s Guangdong-Hong Kong-Macao Greater Bay Area connects Nansha District in Guangzhou with Humen Town in Dongguan, including the main works of upper and lower levels of Shiziyang tunnel, and the reconstruction and expansion works of lower level of Guige Avenue’s section* (桂閣大道段), lower level of the Baisha South Road section* (白沙南路段) and lower level of Lundu Road section* (輪渡路段)
“SIHC”	Shenzhen Investment Holdings Co., Ltd* (深圳市投資控股有限公司), a company incorporated in the PRC with limited liability, the ultimate controlling shareholder of the Company
“SIICHIC”	Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (深圳投控國際資本控股基建有限公司), a limited company incorporated in the British Virgin Islands, which is an indirect-wholly owned subsidiary of Shenzhen Expressway
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structural Steel Fabrication Agreement (G1 Bid Section)”	the structural steel fabrication agreement (G1 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目鋼結構製造合同(第 G1 標段)》) dated 17 January 2025 and entered into between GSZ Company and Jiangsu Huning Steel Structure & Machinery Co., Ltd.* (江蘇滬寧鋼機股份有限公司), as disclosed in the Company’s announcement dated 17 January 2025
“Structural Steel Fabrication Agreement (G2 Bid Section)”	the structural steel fabrication agreement (G2 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目鋼結構製造合同(第 G2 標段)》) dated 17 January 2025 and entered into between GSZ Company and China Railway Shanhaiguan Bridge Group Co., Ltd.* (中鐵山橋集團有限公司), as disclosed in the Company’s announcement dated 17 January 2025 and the circular dated 25 February 2025

Glossary

“Structural Steel Fabrication Agreements (G1 and G2 Bid Sections)”	Structural Steel Fabrication Agreement (G1 Bid Section) and Structural Steel Fabrication Agreement (G2 Bid Section)
“Subscription”	the capital injection to obtain 51% enlarged equity interest in the Coastal Company upon completion by Shenwan Infrastructure pursuant to the Subscription Agreement, as disclosed in the Company’s circular dated 23 September 2022
“Subscription Agreement”	a conditional subscription agreement entered into between Shenwan Infrastructure, Shenzhen Expressway and the Coastal Company on 18 August 2022 in respect of the capital injection to the Coastal Company by Shenwan Infrastructure, as disclosed in the Company’s circular dated 23 September 2022
“Supplemental Agreement”	the supplemental agreement dated 5 June 2025 entered into between the Coastal Company and the Engineering Development Company to revise the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, as disclosed in the Company’s announcement dated 5 June 2025
“SZ Construction Works Agreement (TJ2 Section)”	the civil engineering construction works agreement (TJ2 Section) under the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway (TJ2 section)* (《京港澳高速公路深圳段改擴建項目土建工程施工合同(第 TJ2 合同段)》) dated 18 December 2025 and entered into between GSZ Company and Poly Changda, as disclosed in the Company’s announcement and circular dated 18 December 2025 and 23 January 2026 respectively
“SZ Expressway Group”	Shenzhen Expressway and its subsidiaries
“SZ TJ2 Section”	the road section which starts from K75+605.341 to K80+545.576 of the Approved SZ Road Section with a total length of approximately 4.94 km
“Total Upper Limit”	the maximum total amount of contribution (whether by way of registered capital, shareholders’ loans, or in any other nature) by all shareholders to the Xintang JV, which shall not exceed RMB6.8 billion
“US”	the United States of America
“USD” or “US Dollar(s)”	United States Dollars, the lawful currency of the US
“Xintang Interchange Project”	the land development and utilisation project of Xintang JV, mainly the Grand Park City residential project
“Xintang JV”	Guangzhou Zhentong Development Company Limited* (廣州臻通實業發展有限公司), a joint venture established in the PRC for the development of the Project Land, which is currently owned as to 15% by Shenwan Infrastructure
“YoY”	year-on-year

* For identification purpose only

Corporate Information

Board of Directors

Mr. Jianming WU*
(Executive Director, Chairman and General Manager)
Mr. Cheng WU*
(Executive Director and Deputy General Manager)
Mr. Ji LIU*
(Executive Director, Deputy General Manager and secretary to the Board)
Ms. Gui Ping ZHAO* (Non-executive Director)
Ms. Xiao YANG* (Non-executive Director)
Mr. Xuan WANG* (Non-executive Director)
Mr. Yu Lung CHING
(Independent Non-executive Director)
Mr. Tony Chung Nin KAN SBS, JP
(Independent Non-executive Director)
Mr. Peng XUE* (Independent Non-executive Director)

Audit Committee

Mr. Yu Lung CHING (Chairman)
Mr. Tony Chung Nin KAN SBS, JP
Mr. Peng XUE*

Remuneration Committee

Mr. Tony Chung Nin KAN SBS, JP (Chairman)
Mr. Yu Lung CHING
Mr. Peng XUE*

Nomination Committee

Mr. Jianming WU* (Chairman)
Mr. Yu Lung CHING
Mr. Tony Chung Nin KAN SBS, JP

Company Secretary

Ms. Ching Fan KOO

Solicitors

Loong & Yeung, Solicitors

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered
in accordance with the Accounting and
Financial Reporting Council Ordinance

Registered Office

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Listing Information

The Stock Exchange of Hong Kong Limited
HKD-traded Ordinary Shares (Stock Code: 737)
RMB-traded Ordinary Shares (Stock Code: 80737)

Principal Bankers⁺

Bank of China
China Merchants Bank
Industrial and Commercial Bank of China
The Hongkong and Shanghai Banking Corporation Limited, etc.

⁺ names are in alphabetical order

Cayman Islands Share Registrar and Transfer Office

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Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
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American Depositary Receipt

CUSIP No.	823219100
Trading Symbol	SIHBY
ADR to share ratio	1:10
Depository Bank	Citibank, N.A., U.S.A.

International Securities Identification Number

ISIN code (HKD counter) KYG8088A1168

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* For identification purpose only

Financial Calendar

Interim dividend announcement	15 August 2025
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	15 August 2025
Closure of register of members	24 September 2025 to 26 September 2025 (both days inclusive)
Deadline for submission of dividend election form	21 October 2025
Interim dividend payable RMB7.55 or HK8.2917875 cents per Share	7 November 2025
Final results announcement for the year ended 31 December 2025 and proposed final dividend payable	18 March 2026
Closure of Register of Members for eligibility to attend the 2026 Annual General Meeting	18 June 2026 to 24 June 2026 (both days inclusive)
2026 Annual General Meeting	24 June 2026
Ex-dividend date	26 June 2026
Closure of Register of Members for entitlement of proposed final dividend	30 June 2026
Deadline for submission of dividend election form	22 July 2026
Proposed final dividend payable [#] Final dividend: RMB7.60 cents or HK8.644392 cents per Share	31 July 2026

[#] Subject to approval by shareholders at the 2026 Annual General Meeting to be held on 24 June 2026.

SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED

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