



中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
H Share Stock Code: 1800

2025

ANNUAL REPORT (H SHARE)





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CORPORATE PROFILE

The Company was incorporated on 8 October 2006 and was initiated and founded by CCCG (a state-owned enterprise under the SASAC) through restructuring as approved by the State Council. The Company was listed on the Main Board of the Hong Kong Stock Exchange with stock code of 01800.HK on 15 December 2006, becoming the first ultra large state-owned infrastructure enterprise to achieve an overall overseas listing; the Company's A shares were listed on the Shanghai Stock Exchange with stock code of 601800.SH on 9 March 2012, successfully establishing an "A+H" dual capital platform and laying a solid capital foundation for the enterprise's long-term development.

As a leading transportation infrastructure enterprise in the PRC, the Company leverages solid capital support to drive its core businesses in infrastructure construction, infrastructure design, and dredging. Guided by the new business paradigm of "five wholes, four bigs and five types", the Company is dedicated to providing customers with integrated solutions covering the full lifecycle of infrastructure. Currently, the Company has grown into the world's largest port, road and bridge design and construction company, and the world's largest dredging company; it is also the largest international contractor and highway investor in China; and the Company also owns the largest engineering fleet in the world. Its business footprint extends across all provinces, autonomous regions, and municipalities in mainland China, as well as the Hong Kong and Macao Special Administrative Regions. With a deep presence in 139 countries and regions globally, the Company actively promotes the high-quality development of the "Belt and Road Initiative". Through participation in landmark overseas projects such as the Gwadar Port in Pakistan and the East Coast Railway in Malaysia, the Company's overseas business scale ranks first among central construction enterprises, fully demonstrating the mission and responsibility of the "National Team" in infrastructure construction.

During the 14th Five-Year Plan period, amidst a complex and severe external environment and profound industry transformation, the Company's new leadership team demonstrated courage and initiative. They systematically formulated the "666" Strategic Framework and the "1545" Development Strategy, issuing the Overall Guiding Opinions to ensure comprehensive implementation. Guided by clear strategic direction and keeping in mind the "big picture" of the nation, the Company aligned itself with national strategic priorities. It successfully delivered a batch of landmark national projects, including the Urumqi-Yuli Expressway, Pinglu Canal, and the Shenzhen-Zhongshan Bridge. Significant achievements were made in serving major national strategies, optimizing business structure, strengthening tech-driven innovation, and deepening reform and opening up. Ultimately, the Company achieved its development goals of securing success amidst difficulties and maintaining stability with positive momentum during the 14th Five-Year Plan period, thus accumulating strong momentum for high-quality development in the 15th Five-Year Plan period.

Technological innovation serves as the core driver of the Company's high-quality development and the critical backbone supporting strategic implementation and engineering construction. Centered on building a "smart" new development engine, the Company has systematically established a "three levels and four categories" innovation platform system. By 2025, it had built 177 innovation platforms at the national, ministerial/provincial, and group levels, achieving full coverage of the entire innovation chain from basic research, technology R&D to achievement transformation. Leveraging its "four generations and five categories" R&D layout and deepening the integration of "industry-university-research-application," the Company has achieved multiple core technological breakthroughs in key areas such as super-large-span bridges, deep-water tunnels, and smart transportation large models, filling industry technology gaps. As of the end of the reporting period, the Company has received 54 National Science and Technology Advancement Awards, holds 40,851 authorized patents, and has led or participated in the formulation of 768 national and industry standards, continuously leading the industry's development direction and enhancing its quality through technological innovation.

CORPORATE PROFILE

Empowered by technological innovation, the Company has achieved remarkable results in constructing its engineering equipment system and enhancing its global operational capabilities. It has established a world-class matrix of major engineering equipment and operates the world's leading dredging fleet in terms of both scale and technical specifications. Relying on its independent core R&D capabilities, the Company has successfully developed a series of iconic high-end engineering equipment, including the "Erhang Changqing (二航長青)" heavy pile-driving vessel, the "Tongjun (通浚)" vessel, the "Tiankun (天鯤號)" self-propelled cutter suction dredger, and the "Junyang 1 (浚洋1號)" self-propelled trailing suction hopper dredger. These are complemented by a modern equipment cluster featuring intelligent shield tunneling machines and multi-functional construction machinery, forming a comprehensive support system of engineering equipment that covers multiple fields and application scenarios. This equipment system not only provides solid hardware support for the efficient delivery and quality control of landmark projects such as the Tianshan Shengli Tunnel on the Urumqi-Yuli Expressway, the Pinglu Canal, and the Shenzhen-Zhongshan Bridge, but also helps the Company consolidate its technical barriers and market leadership in frontier areas like marine engineering construction, deep-sea and high-sea resource development, and polar channel dredging, further enhancing its global resource integration and project delivery capabilities.

Robust comprehensive strength and steady operational performance stand as a testament to the Company's development resilience and core competitiveness. As a core listed platform and strategic development engine of CCCG, the Company plays a decisive role in underpinning CCCG's overall financial results and the implementation of its core strategies. CCCG continues to maintain a trajectory of high-quality development. It has ranked first among Chinese enterprises in ENR's list of Top International Contractors for 19 consecutive years and stands at No. 61 on the Fortune Global 500 list. Furthermore, it continues to lead central state-owned enterprises in both Party building initiatives and the performance of social responsibilities.

Building on the achievements of the 14th Five-Year Plan and leveraging its existing comprehensive strengths, the Company is embarking on the new journey of the 15th Five-Year Plan. Guided by the Overall Guiding Opinions as its fundamental framework and action blueprint, the Company has fully launched a strategic transformation to evolve from an "Engineering Contractor" into a "Comprehensive Service Provider." Looking ahead, the Company will leverage its leadership in traditional infrastructure to transform into a builder of modern infrastructure systems, characterized by the integration of "Investment-Construction-Operation," digitalization, and green development. It will continue to deepen its "five wholes" business layout and solidly advance the "four integrations" innovation initiatives. By focusing on cultivating strategic emerging industry clusters, and relying on new business models such as smart transportation, zero-carbon parks, ecological watershed management, and marine economic development, the Company aims to create full lifecycle value for customers, cities, and society, thereby contributing to the high-quality development of infrastructure.

The Company remains steadfast in its vision of "making the world more expedite, making the city more habitable, making life more beautiful". It strictly practices its corporate mission of "fostering sustainable development with firm foundation and good morality", while firmly upholding the corporate spirit of "communicating with the world and constructing without boundaries". Looking ahead, the Company will take technological innovation as its core guide and craftsmanship as its solid backing. With a footprint across the global market and a continued focus on deepening its expertise in infrastructure, the Company will strive to achieve new milestones in high-quality development. It is determined to march steadily towards its goal of becoming a world-class enterprise defined by the "five wholes, four bigs and five types" framework.

PERFORMANCE HIGHLIGHTS

RMB million (except per share data)	For the year ended 31 December		
	2025	2024	Change (%)
Revenue	726,636	768,243	-5.4
Gross Profit	80,558	92,603	-13.0
Operating Profit	29,125	39,307	-25.9
Profit attributable to owners of the Company	14,995	23,854	-37.1
Basic earnings per share (RMB) ^(Note 1)	0.86	1.40	-38.6
Annual dividend distribution	3,172	4,911	-35.4
Annual dividend payout ratio ^(Note 2)	21.5%	21%	0.5 percentage point

RMB million	As at 31 December		
	2025	2024	Change (%)
Total assets	2,019,132	1,858,272	8.7
Total liabilities	1,551,245	1,390,457	11.6
Total equity	467,887	467,815	-
Capital and reserves attributable to owners of the Company	310,926	313,425	-0.8

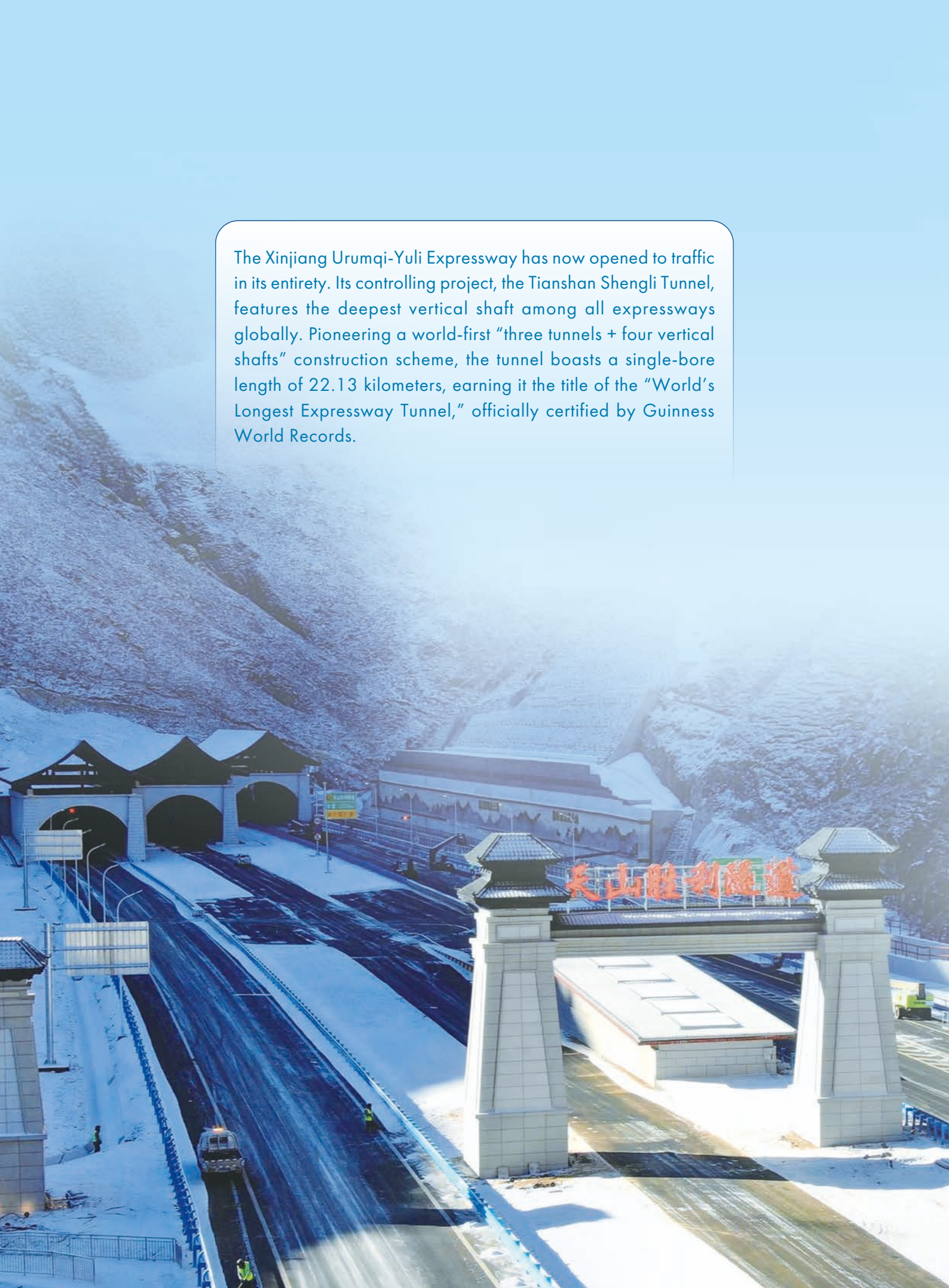
Value of New Contracts RMB million	For the year ended 31 December			
	2025		2024	
	Number of Projects	Value of Contracts	Value of Contracts	Change (%)
Infrastructure Construction Business	7,509	1,722,420	1,700,582	1.3
— Port Construction	416	94,781	87,634	8.2
— Road and Bridge Construction	838	269,060	275,188	-2.2
— Railway Construction	29	16,385	16,260	0.8
— Urban Construction, etc.	5,644	964,403	976,856	-1.3
— Overseas Projects	582	377,791	344,644	9.6
Infrastructure Design Business	8,138	42,500	52,646	-19.3
Dredging Business	1,502	106,885	116,017	-7.9
Other Businesses	N/A	11,867	11,940	-0.6
Total	N/A	1,883,672	1,881,185	0.1

Backlog RMB million	As at 31 December			
	2025		2024	
	Number of Projects	Value of Contracts	Number of Projects	Value of Contracts
Infrastructure Construction Business	9,429	2,844,984	8,630	2,947,341
Infrastructure Design Business	22,976	181,320	21,839	179,220
Dredging Business	2,292	391,376	2,097	328,626
Other Businesses	N/A	28,272	N/A	31,586
Total	N/A	3,445,952	N/A	3,486,773

Note 1: In calculating the amount of basic earnings per share, the interest of perpetual securities with an aggregate amount of approximately RMB1,018 million and the dividends relating to Incentive Scheme with an aggregate amount of approximately RMB2 million shall be excluded from profits.

Note 2: For details, please refer to the section headed "DIVIDENDS" in the "REPORT OF THE BOARD OF DIRECTORS".

The Xinjiang Urumqi-Yuli Expressway has now opened to traffic in its entirety. Its controlling project, the Tianshan Shengli Tunnel, features the deepest vertical shaft among all expressways globally. Pioneering a world-first “three tunnels + four vertical shafts” construction scheme, the tunnel boasts a single-bore length of 22.13 kilometers, earning it the title of the “World’s Longest Expressway Tunnel,” officially certified by Guinness World Records.



CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of CCCC, I am honored to present the 2025 annual report to Shareholders and thank you for your concern, trust and support for the development of the Company.

In 2025, amidst a complex and challenging market environment characterized by multiple pressures, the Company confronted difficulties head-on and rose to meet them. With a strong focus on value creation as our core orientation, we actively charted new directions, strategies, blueprints, and pathways for the Company's development. Despite industry-wide headwinds, we maintained stability in our fundamental operations and ensured the orderly progress of all business activities. During the year, the revenue of the Group amounted to RMB726,636 million, with net profit attributable to the Shareholders of RMB14,995 million and earnings per Share of RMB0.86. The value of new contracts reached RMB1,883,672 million, among which, the value of new contracts from emerging business sectors amounted to RMB665,543 million. As at the end of 2025, the backlog of the Group amounted to RMB3,445,952 million, laying a solid foundation for future development.

Looking back at the "14th Five-Year Plan" period, the Company maintained steady overall development amid complex and volatile conditions. We continuously advanced high-quality development, deepened our implementation of national strategies, achieved sustained breakthroughs in technological innovation, furthered systemic reforms, and strengthened Party leadership and Party building. These efforts have accumulated a robust foundation for the Company's long-term growth. Over the past five years, both revenue and total profits remained stable, demonstrating enhanced resilience in our operations. The Company cumulatively paid taxes and fees totaling RMB41,850 million and distributed dividends to Shareholders amounting to RMB19,647 million¹, effectively fulfilling our economic responsibilities, social obligations, and commitment to shareholder returns as a state-owned enterprise. As a major controlling subsidiary of CCGG, the Company helped CCGG rise from 78th place in 2020 to 61st place in the 2025 Fortune Global 500 rankings. Furthermore, we played a pivotal supporting role in securing CCGG's 19th consecutive year as the top Chinese contractor on ENR's list of the Top International Contractors. Our overseas business scale has consistently ranked first among central state-owned construction enterprises, continuously consolidating our advantages in international development.

¹ Taxes and fees=business taxes + income tax, and distributed dividends to Shareholders include the amount under 2025 Annual Dividend Distribution Plan

CHAIRMAN'S STATEMENT

At the same time, we clearly recognize that the Company still faces numerous shortcomings. We are confronted with five major contradictions between operational quality and efficiency versus enterprise scale, and between business structure and economic volume, among others. Six key weaknesses persist in areas such as mindset, strategy, and digital intelligence transformation. Additionally, there exists seven prominent issues, including insufficient liberation of thinking, weak innovation-driven momentum, and inadequate integration of Party building with operations. Some issues have become even more pronounced under the influence of industry cycles, increasingly constraining our development and urgently requiring systematic solutions.

Looking ahead to 2026, opportunities and challenges coexist, as do hope and difficulties. On the opportunity front, five major incremental drivers provide strong support for our development: the construction of China's modern infrastructure system, the empowerment of traditional infrastructure by new quality productive forces, the continuous advancement of new-type urbanization, the implementation of major national strategic tasks, and the high-quality "Belt and Road" cooperation. Regarding challenges, the construction industry is inevitably entering a "peak-and-decline" phase, transitioning smoothly from a growth primarily driven by new projects to a stage emphasizing both new and existing projects. This shift will necessarily bring about profound adjustments and restructuring in development concepts, models, and management approaches. Meanwhile, historical, industry-specific, and cyclical difficulties faced by the industry are converging and compounding, while the Company's internal contradictions and weaknesses still require focused resolution. Taking into account the current situation and tasks, the Company will thoroughly implement the requirements set forth in the "Overall Guiding Opinions", firmly advance the "1545" Development Strategy, closely align with the new characteristics of the industry's development stage, and focus on two core objectives of stabilizing the fundamental business base and enhancing development quality. With united efforts and pragmatic actions, we will ensure a strong start and solid footing for the "15th Five-Year Plan" period. Key priorities will focus on six aspects:

Firstly, making strategic planning and ensuring precise execution. We'll fully implement the spirit of the "Overall Guiding Opinions", deeply understand its core principles and practical requirements, closely integrate them with the Company's actual conditions, unify thinking, build consensus, guide practice, and drive work forward to ensure effective strategy implementation.

Secondly, transforming towards new growth and enhancing quality and efficiency. We'll systematically optimize the "Three Major Layouts", comprehensively expand international competitive advantages, systematically reshape the comprehensive industrial system, and multi-dimensionally build an efficient and collaborative market operation system. Through structural optimization, we aim to enhance development quality, striving for the development goal of stronger overseas operations, superior industries, and better quality and efficiency.

Thirdly, pursuing progress through quality and empowering through innovation. We'll accelerate the deep integration of technological and industrial innovation, optimize innovation mechanisms, activate sources of creativity, strengthen the innovation system, and streamline the chain of outcome transformation. Focusing on both ends of the industrial chain, we will rejuvenate industrial clusters, gather advantageous resources, and shape a favorable innovation ecosystem. Driven by innovation, we will break through development bottlenecks, ensuring original research is motivated, transformation is beneficial, and innovation creates value.

Fourthly, prioritizing practical action and strengthening foundations. We'll make significant efforts in deepening the construction of adaptive organizations, improving market-oriented operating mechanisms, and thoroughly implementing the "334" Projects. We will consolidate the foundation of operation and management, enhance refined operational capabilities, and achieve solid foundations and accumulating momentum.

Fifthly, following the Party's leadership and forging synergistic strength. We'll comprehensively strengthen Party leadership and Party building. By enhancing the "leading force" of Party leadership, boosting the "productive force" of high-quality Party building, and cultivating the "centripetal force" of brand culture, we will continue to promote the deep integration of Party building with production and operations. This will effectively transform Party building advantages into advantages in corporate governance, market competitiveness, and high-quality development.

Sixthly, upholding strictness to solidify foundations and rectifying conduct to enforce discipline. We'll deeply advance the work to improve the conduct and build integrity within the Party, select and equip outstanding cadre and talent teams, persistently improve work styles, and comprehensively reconstruct a healthy and upright political ecosystem. With strict discipline and conduct, we will safeguard enterprise development, transforming the effectiveness of full and rigorous Party governance into solid guarantees for standardized management, strong foundations for team building, and noble integrity in fostering work styles.

CHAIRMAN'S STATEMENT

In this new year, we embark on a new journey with new missions. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, anchored in the "1545" strategic objectives, and based on the realities of industry development and the Company's own foundation, we will lead quality and efficiency improvements through innovation, drive breakthroughs through strategy implementation, focus on value enhancement, and vigorously strengthen capability building. We are committed to ensuring a strong start and solid footing for the "15th Five-Year Plan," steadily advancing high-quality development and the construction of a world-class enterprise!

Once again, thank you to all shareholders and friends for your continued care, support, and assistance!



Song Hailiang
Chairman

Beijing, the PRC
30 March 2026

East Coast Rail Link in Malaysia is a flagship project of the cooperation between China and Malaysia under the “Belt and Road” initiative. As a key controlling project along the entire line, the successful breakthrough of the Genting Tunnel No. 2, with a total length of 16.39 kilometers, marks it as the longest tunnel in Southeast Asia. This breakthrough has penetrated the geographical barrier of the Malay Peninsula, achieving a direct rail connection between the east and west coasts of Malaysia.



BUSINESS OVERVIEW

I. MAIN BUSINESS

The Company is a leading global mega-infrastructure integrated service provider, focusing on “five wholes, four bigs and five types (五全四大五型)”, providing integrated system solutions and its core businesses covering infrastructure construction, infrastructure design and dredging. Its business covers the investment, design, construction, operation and management of port, waterway, road and bridge, railway, urban rail transit, municipal infrastructure, land reclamation, river basin management, water conservancy, construction and environmental protection and related projects at home and abroad. The Company is engaged in providing customers with integrated solutions services throughout the full cycle of the infrastructure projects leveraging on its extensive operating experience, expertise and know-how accumulated from projects undertaken in a wide range of areas over the decades as well as its comprehensive and integrated advantages across the entire industry chain.

II. BUSINESS MODEL

The business operation process of the Company mainly includes collecting project information, pre-qualification, bidding, executing projects, and delivering projects to customers after completion. The Company has formulated a comprehensive project management system that covers the entire contract process, including the preparation of tenders, bidding price, project organization planning, budget management, contract management, contract performance, project supervision, contract changes, and project completion and delivery. In particular, the Company’s infrastructure construction, infrastructure design and dredging business all fall within the scope of the construction industry, and the main project operation process is basically consistent with the above description.

When the Company prepares the project quotation, it carries out a detailed study on the proposed bidding project, including technical and commercial conditions and requirements of the tender followed by a site visit. The Company also invites quotations from suppliers and sub-contractors for various items or activities in respect of the tender. The Company analyses and collects the above information to calculate the costs of each item in the project lists and then marks up gross profit to be obtained according to a certain percentage to calculate the bidding price to the client.

After the project is awarded and the contract is signed, the Company usually collects prepayment at 10% to 30% of the total contract amount before the project commences, and then settles the payment on a monthly or regular basis according to the progress. Payments from customers are usually settled within 1 to 3 months. In recent years, the unstable and unbalanced recovery of the domestic economy has resulted in varying degrees of lag in customer payment schedules, consequently stretching out the project timelines and the payment cycles.

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company is the world’s largest port, road and bridge design and construction company, and the world’s largest dredging company; it is also the largest international contractor in Asia, the largest highway investor and operator in China, a world-famous urban complex developer and operator; and the Company also owns the largest engineering fleet in the world. The Company has 32 principal wholly-owned or holding subsidiaries, and operates businesses in China’s all provinces, cities, autonomous regions, Hong Kong and Macau and 139 countries and regions across the world.

In a fully market-oriented competitive environment, the Company has experienced multiple cycles of fluctuation, created countless brilliant achievements, established numerous milestones, accumulated a valuable “ten core advantages”: **First**, a strong comprehensive transportation and infrastructure national think tank, integrating top-level design, high-end planning, and integrated consulting capabilities, resulting in a high-end leadership and comprehensive intellectual advantage. **Second**, the ability to provide integrated system solutions and comprehensive, integrated services across the entire industry chain for transportation and infrastructure, encompassing the “five wholes, four bigs and five types”. **Third**, the advantages in system technology, standardization, technological innovation and industrial innovation in the field of “five wholes, four bigs and five types”. **Fourth**, it has formed a core advantage in group and large-scale operations in serving the national and industrial strategies, the “Belt and Road” Initiative and other major strategic deployments. **Fifth**, the advantages of integrated development rooted in the concepts of transportation+, digital intelligence+, green+, and integration+. **Sixth**, as the No. 1 international contractor in Asia, it possesses strong advantages in international competitiveness and deployment. **Seventh**, the advantages of AI and digital intelligence in the synergistic integration of the “four modernizations (四化)” of industrial digitization, digital industrialization, management digitization, and data valorization. **Eighth**, the advantages of large equipment R&D and manufacturing support and integrated services serving the field of “five wholes, four bigs and five types”. **Ninth**, the advantages of a vast talent pool that encompasses diverse, multi-level, top-tier high-end specialists, interdisciplinary experts, specialized professionals. **Tenth**, it possesses an excellent reform genes rooted in the blood of the enterprise of cut paths through mountains, build bridges across rivers, and continuing to reform and strive for strength, and it also possesses a rich spiritual legacy of “exceptionally resilient, exceptionally combative, exceptionally responsible, and exceptionally dedicated (特别能吃苦、特别能战斗、特别能担当、特别能奉献)” and the globally renowned “one core, multiple dimensions (一主多元)” brand culture system.

“Whole transportation, whole cities, whole water, whole green, and whole digital” are the Company’s main industrial fields, providing application scenarios for “big overseas, big equipment, big industry, and big integration”. The “whole” emphasizes the comprehensive advantages of a complete industrial chain, complete resource elements, and a complete life cycle. “Whole transportation, whole cities and whole water” have been the Company’s main responsibilities and businesses for many years, maintaining a leading advantage. “Whole green and whole digital” are both the existing main business field and the direction of future transformation and expansion. “Whole green” is the underlying color of the times and the main accelerator for transformation. “Whole digital” serves as the principal approach for empowering the industry.

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

In 2025, responding to the context of significant change and transformation, the Company introduced its “666” Strategic Framework and formulated the Overall Guiding Opinions, providing a strategic blueprint for both a high-quality conclusion to the “14th Five-Year Plan” period and a forward-looking deployment for the “15th Five-Year Plan” period, thereby consolidating all efforts towards common goals. The Overall Guiding Opinions specify that during the “15th Five-Year Plan” period, our efforts will be concentrated on aspects including “high quality, high efficiency, high profitability, low cost, low risk, solid Party leadership, vigorous innovation, and robust culture”. Centering on six dimensions, namely “profitability, scale, business, technology, cost, and efficiency” and fully considering the current national economic development situation, future market space, industry competition characteristics, and the Company’s own survival and development needs, the “654321” primary business management objectives as well as development goals for select business sectors were formulated.

As we embark on the new journey of 2026 and the “15th Five-Year Plan” period, the Company fully implements the Overall Guiding Opinions, laying a solid foundation for high-quality operations. The Company will seize the policy dividends in areas such as the development of the national integrated transportation system, water network construction, and urban renewal, closely monitor key areas, key regions, and major projects, planning and creating new projects and models from a source, high-end, and integrated perspective, continuously enhancing its industry leadership and influence. The Company will integrate the tactical resources of the “**eight-network integration**” initiative under the strategic vision of “**four integrations**”, expand into the “**seven new developing markets**” via the “eight-network integration” initiative, and implement projects through “**solution + project**” initiatives. In pursuit of high-quality development, we will seek “stable overall situation, steady growth, and stable quality and efficiency”, achieving effective quality improvement and reasonable quantity growth.

(I) Safeguard its Absolute Leadership in the “Whole Transportation” Field and Seek Incremental Growth from Core Markets.

The Company focuses on expanding its advantages through unification, integration, digitalization, greening, and convergence, further contributing to major strategic initiatives including the development of a strong transportation nation, the interconnection of inland waterway systems, and the “three sides and three crosses” corridor (“三沿三跨”大通道). **The coastal port and waterway business** consolidates its absolute leading advantages, strengthens the expansion of port-adjacent and marine industry supporting facilities as well as port operation and maintenance service markets, and acquires upgrading, renovation, and expansion projects by leveraging scenario-based control. **The road and bridge business** deepens its research on border crossings, interconnectivity, and the expansion and reconstruction of national expressways, and also focuses on the commuter systems in urban agglomerations and metropolitan areas, identifies a pipeline of key projects, and establishes a hub connectivity system for multimodal transportation. **The railway and rail transit business** leverages opportunities presented by a unified national market to optimize its rail transit market operations. **The airport business** expands its supply chain, explores low-altitude “airport+” scenarios, leverages the strengths and resources of the industrial chain to form a cohesive force for breakthroughs, and steadily transforms into a comprehensive airport infrastructure service provider and technology integrator. **The inland waterways business** systematically undertakes comprehensive planning for inland waterways, multimodal transport as well as green and smart shipping across provinces and cities, enhances front-end research for planning and design, fosters integrated design-construction collaboration, and proactively assists local institutions in negotiating and coordinating on the policy-related obstacles regarding cross-regional and cross-basin projects.

During the reporting period, the **water transportation business including the coastal port and waterway business** reached historic highs in scale, maintaining an unassailable leadership in the “Water Transport King”. The Company demonstrated its leadership in design and consulting, winning bids for high-quality projects such as the Hunan-Guangxi Canal Pre-Feasibility Study. The orderly advancement of Pinglu Canal, a “project of the century”, provides strong assurance for its full line navigation in 2026. **The road and bridge business focused on key national projects**, further strengthening our “Highway King” position, supported by the full operation of Wuyu Highway in Xinjiang, the record of the world’s longest highway tunnel created by the Tianshan Shengli Tunnel, the extraordinary strength of “China Bridge” demonstrated by the Shiziyang Passage in the Pearl River Estuary, the world’s highest double-deck suspension bridge. The Company also secured projects such as the G6002 Guiyang Beltway expansion project. **The railway business further developed its presence in railway freight corridors**, winning bids for projects such as the Pre-station Project of Newly-built Wenzhou-Fuzhou High-speed Railway and related works. **The airport business continued to consolidate the “CCCC Airport” brand**, securing projects such as the Dalian New Airport Midline Main Passage Cross-sea Section and the Dalian Jinzhou Bay International Airport Deep Foundation Treatment Project.

BUSINESS OVERVIEW

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(II) Enhance its Presence in the “Whole Cities” Field to Consolidate the Existing Trillion-scale Market and Seek Incremental Growth from the Largest Market.

The Company focuses on full coverage of large, medium, and small cities and towns, entering, integrating into, and serving cities in all aspects. Deeply understanding the spirit of the Central Urban Work Conference, the **housing construction and municipal business** focuses on key urban agglomerations and major livelihood projects, strategically advancing our deployments in areas including urban renewal, large-scale public buildings, urban pipeline networks, and quality housing development. The **comprehensive urban development business** creates full-lifecycle urban renewal projects spanning the entire value chain. Focusing on 22 super-large and megacities, the Company has focused on key projects in areas such as urban village renovation, industrial renewal, cultural heritage preservation, and quality improvement.

During the reporting period, the Beijing Shijingshan Urban Renewal Project pioneered a comprehensive district-wide renewal approach, while the Shanghai Fengxi Urban Village Renovation Project established a model for future urban living. The Company successfully secured and signed contracts for projects including the Eco-Agriculture Industry-Finance Integration Demonstration Project in Jing'an County, Yichun City, Jiangxi Province and the Jinshui District Urban Renewal Comprehensive Development Project in Zhengzhou City, Henan Province.

(III) Strengthen its Overall Leading Advantages in the “Whole Water” Field and Seek Incremental Growth from the Strategic Markets.

The Company focuses on the comprehensive development of “big water”, systematic management of “medium water”, and precise treatment of “micro water”, strengthening its systematic development. In terms of “**big water**”, the Company seizes new opportunities arising from the high-quality marine economy development to increase its market share for marine business. It strategically focuses on water conservancy and hydropower, deeply participating in major national and local water conservancy projects. Focusing on the areas of reservoir hubs, hydropower stations, water diversion, irrigation area construction, flood prevention and drainage, and pumped storage, the Company continuously cultivates its professional capabilities, speeds up the accumulation of qualification and performance, promoting the establishment of its “second growth curve”. In terms of “**medium water**”, the Company continuously upgrades integrated technologies and equipment in response to dredging needs of rivers, lakes, and reservoirs, persistently advancing pilot projects related to reservoir dredging + farmland rehabilitation and reservoir dredging + mine restoration. In terms of “**micro water**”, the Company implements the EOD model characterized by comprehensive watershed governance, conducting research and planning based on the principle of “one river, one policy” for key river basins, with strategic focus on identifying opportunities in the central and eastern regions.

During the reporting period, **the Company achieved breakthroughs in core water conservancy sectors**, with the value of new contracts reaching RMB76,691 million, representing steady year-on-year growth. The Company actively participated in the construction of national water network, contributing to the hydropower project in the lower reaches of the Yarlung Tsangpo River, and steadily advanced major water conservancy projects including the Zaodu Reservoir in Chongqing and Xiangyang High-Dam Reservoir. Additionally, it won bids for multiple national major water conservancy projects including the Xinjiang Water Conservancy Project and the Qaidam Water Resources Allocation Project. During the “14th Five-Year Plan” period, the Company signed contracts with a cumulative value of RMB213,075 million. The concentrated implementation of these projects represents a significant breakthrough of the Company in major water conservancy projects, and also a preliminary transition in the development of the water conservancy business from opportunity-driven model to systematic business model. **Its brand in “lake ecological dredging (湖泊生態清淤)” had gained further recognition**, successfully building a demonstration benchmark for intelligent ecological dredging leveraging “Taihu Star”, the world’s most advanced intelligent and environmentally integrated dredging vessel, and launching a new round of Taihu Lake ecological dredging projects along the western shore of Yixing City.

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(IV) Accelerate the Transformation in the “Whole Green” Field and Seek Incremental Growth from Emerging and Future Markets.

The Company focuses on green transportation, green cities, green energy, green materials, and green construction, addressing shortcomings in the industrial chain and further developing the central enterprises’ initiative to develop green, low-carbon, and innovative technologies for transportation infrastructure. **For offshore energy and offshore wind power business**, the Company continues to strengthen the collaborative improvement in technological innovation and construction experience, enhancing its comprehensive competitiveness in the offshore wind sector. It continuously expands the industry chain of offshore new energy sector, and strategically deploys in submarine cable laying, floating offshore wind, and offshore photovoltaic markets. **For onshore new energy business**, the Company leverages local investment contributions and operational network advantages, collaborating with power companies to secure new energy quotas, fostering strong alliances with leading companies in the new energy sector, and driving leapfrog development in the new energy business. **For agriculture, forestry, animal husbandry, and fishery business**, the Company utilizes new policy-based financial instruments to seize opportunities in comprehensive land remediation and farmland upgrade projects, expediting the implementation of a number of exemplary projects. **For ecological and environmental protection business**, the Company deepens the development concept of “environmental protection complex” to seize the commanding heights of industry development. The Company vigorously promotes the integrated protection and systematic management of mountains, rivers, forests, farmlands, lakes, grasslands, and deserts, along with mine construction and ecological restoration, as well as marine ecological protection and restoration, to strengthen its presence in the land-space ecological restoration market and drive deeper expansion of its environmental protection business.

During the reporting period, the Company accelerated its transformation towards green industries and emerging industries, with the value of new contracts from **energy engineering** projects across its business segments reaching RMB122,369 million, representing a year-on-year increase of 50.36%. Among which, **the marine energy segment developed vigorously**, and our offshore wind power projects gradually adapted to the grid-parity market environment, evidenced by the facts including winning bids for the Zhejiang Shengsi 7# Offshore Wind Farm Project and the 400,000kW project of DE area of Pinghai Bay Offshore Wind Farm in Putian, Fujian, together with the successful implementation of the Demonstration Application Project of Yangjiang 16MW Floating Offshore Wind Power Complete System. **Offshore photovoltaic segment advanced steadily** with the implementation of the Power Generation Area PC General Contracting Project of Qinhuangdao Changli Offshore Photovoltaic Pilot Project. **In onshore new energy segment, the Company maintained strong momentum**, winning bids for Section 3 of the Dongfang Electric 1,000MW Science and Technology Innovation Experimental Wind Farm Project in Mulei and the 150MW/15MWh Independent Energy Storage and Frequency Regulation Project in Yungang District, Datong City. **The agriculture, forestry, animal husbandry and fishery business continued to expand**. As the only central construction enterprise participating in national high-standard farmland quota formulation, the Company secured new contracts of RMB20,062 million, representing a year-on-year increase of 135.89%. The Company also implemented EPC projects for the National Reserve Forest Construction Project in the Northwest Area of Daye City and the Donggang Modern Marine Pasture (Phase I) Project in Dandong. **The Company’s distinctive strengths in ecological governance continued to be demonstrated**, leveraging its capabilities across the entire water environment governance industry chain, it secured the Ezhou Airport Economic Zone Water Ecological Environment Governance and High-tech Industry Integrated Development (EOD) project. **The Company continued to expand the national land space ecological restoration market**, winning bids for green mining projects such as Wuyue Mountain in Qichun County, Hubei Province, and the Taoyuangou section of the Donggou tributary in Fangcheng County.

BUSINESS OVERVIEW

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(V) Activate the “Whole Digital” Engine and Seek Incremental Growth from Technology-enabled Industries.

The Company focuses on **digital industrialization**, creating high-quality datasets in areas such as smart transportation and smart construction, and pioneering the sharing, circulation, and accessibility of datasets within and beyond the industry. Focusing on **industrial digitalization**, the Company publishes a catalog of high-value achievements for promotion, creates benchmark scenarios with distinctive CCCC characteristics and industry leadership, and enhances its application capabilities. Focusing on **management digitization**, the Company accelerates the development and promotion of digital platforms such as “Blue Vessel (藍舟)”, “Blue Wing (藍翼)”, “Blue Journey (藍途)”, and “Blue Shield (藍盾)”, which have CCCC’s independent intellectual property rights, and strengthens management penetration through data penetration. Focusing on **data valorization**, the Company promotes the in-depth application of intelligent computing big models, digital twins, and automation technologies, strengthens the integration and innovation of artificial intelligence technology with digital products such as Beidou and BIM, and builds a “Digital CCCC”.

During the reporting period, as one of the six pilot central state-owned enterprises, the Company has achieved material breakthroughs in the data asset pilot, completed the recognition of 19 data assets in the financial statements, realized online management across the data asset lifecycle, and obtained data asset-backed credit facilities and financing, setting a “CCCC Benchmark” for data asset operation among central state-owned enterprises. The Company convened a launch meeting for its data asset lifecycle management pilot program, aiming to enhance data governance, unlock the value of data elements, and foster high-quality development. During the year, the Company successfully issued the first Data Asset Accounts Receivable Asset-backed Securities (“Data Asset” ABS) among central enterprises engaged in the construction industry, it also successfully issued the CCCC Zhuanou Yangtze River Bridge quasi-REITs, starting a new chapter for the “Expressway + Data Asset” ABS model. The Company concentrated its “whole digital” on four key areas: smart highways (including smart bridges and smart tunnels), smart water transport, smart ports, and smart aviation. These initiatives effectively helped clients improve operational efficiency and safety, and promoted the development of industry standards and technological innovation. **Smart highways** cover multiple sub-sectors, including bridges, tunnels, and beam yards, focusing on bridge health monitoring, intelligent tunnel management, and digital highway upgrades. The Company won bids for projects such as the Hong Kong-Zhuhai-Macao Bridge’s first systematic intelligent renovation project, the Honghualing Tunnel, the Super-Large Airport Bridge, and digital protection for riverside waterways. **Smart water transport** covers multiple areas, including waterways and ports, focusing on waterway maintenance, digital twins, cloud data analytics, clean loading and unloading processes, and intelligent shipping services. The Company won bids for projects such as the Pinglu Canal Smart Maintenance System and Application Project and the Eastern Container Terminal Project at the Langya Taiwan Operation Area of the Dongjiakou Port Area of Qingdao Port. For **smart cities**, the Company developed its first city-wide smart parking project, the “One Parking Lot for the Entire Dali Prefecture (大理州全州一個停車場)”, to optimize parking facilities and empower urban static traffic management with digital intelligence. **Smart water management** took the lead in building a “one map (一張圖)” with the concept of “big water network (大水網)” at the county level, forming a county-level three-dimensional smart water management command screen. At the same time, it carried out the three-dimensional construction of local water plants in conjunction with the project to realize the digital twin of the water plants and created a digital safety system and smart management and control platform for urban water supply in the Three Gorges Reservoir area.

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(VI) Fully Expand the Leading Advantage of “Greater Overseas” Globalization and Foster the Concept of the “Priority and Quality Coordinated Development of Overseas Business”.

The Company adhered to the “four-step” strategy of going out, going in, melting in, and integrating into, and achieved the dual-wheel force of domestic and international business through international business increment. **Firstly, we actively implemented national strategies.** The Company consistently pursued high-level strategic engagement, with its top leadership conducting 22 meetings with heads of foreign countries and participating in over 100 significant bilateral diplomatic meetings. It was also actively involved in 19 international cooperation events, including the 2025 “Belt and Road” Forum and Expo, facilitating the implementation of major projects such as the third cross-border railway between China and Kazakhstan, the commissioning of the Simandou iron ore mine in Guinea, which is largest mining project in Africa in which the Group participated as an investor and builder, and the successful completion of all tunneling works for the East Coast Rail Link in Malaysia. **Secondly, we continuously enhanced the effectiveness of synergistic development.** The Company advanced its pilot program of “overseas community of shared interests”, completed research reports on industrial chain layouts in various countries or regions, conducting in-depth studies on the segmented overseas fields and business growth in key countries of “five wholes, four bigs and five types” approach, and promoting the “progressive upgrade and elevating from products to industries to industrial chains and ultimately to value chains” at the country level. **Thirdly, we achieved outstanding marketing results, with annual targets reaching new highs.** The Company successfully won bids for major projects including the Integrated Water Conservancy Project in Cambodia, the Salvador Cross-Sea Bridge in Brazil, the Mubarak Al-Kabeer Port in Kuwait, the Underground Structure Project of T5 Airport Terminal in Singapore, and the Dubai New Airport Project in the UAE. **Fourthly, we continuously strengthened technological innovation.** The Company proactively addressed the technological demands of its overseas business by consolidating and integrating research resource, progressively advancing the reserve research on key technologies for projects. It also actively explored pathways for adapting mature domestic technological achievements to overseas markets, such as the development of a Colombian national standard for PHC pile design and construction, significantly facilitating the cost reduction and efficiency enhancement for projects. Additionally, it accelerated the transformation and upgrading of traditional industries, specifically, it coordinated the supply chain resources for the Sedra Project in Saudi Arabia to construct the first prefabricated smart factory in Saudi Arabia to high standards, establishing a benchmark for overseas construction industrialization. The Company collaborated with a domestic team of dual academicians to innovatively introduce the construction technology of “cable-first, steel-later” for the Talanta Sports City project in Kenya, building the Company’s first iconic sports stadium overseas. The Company also diligently fostered international scientific and technological exchange and cooperation, leading the release of the 11th ISO international standard and successfully facilitating the establishment of the world’s first ISO Standardization Technical Committee for Port Terminals in China. Through its deep involvement in the governance of global infrastructure and engineering equipment industry, the Company put into practice the strategy of “going out” for Chinese standards. **Fifthly, we continuously improved our overseas risk prevention and control capabilities.** The Company strengthened the “big safe” prevention and control for overseas operations, closely monitored the social conditions and public sentiment in key countries, formulated the Guidelines for Security Assurance Work targeting typical concentrated risks, continuously enhanced the “Overseas Security Assurance Emergency Command System”, actively introduced professional security resources from home and abroad, to effectively respond to various types of emergencies arising overseas. Meanwhile, the Company deepened the management and control of commercial costs, signed supplementary agreements through commercial negotiations, and realized the practical results of commercial cost management.

During the reporting period, the value of new overseas contracts of the Company amounted to RMB392,441 million, representing a year-on-year increase of 9.09%. Categorized by project type, the value of new contracts for building construction, roads and bridges, railway construction, port construction, municipal engineering, water conservancy and others accounted for 24%, 22%, 12%, 7%, 3%, 3% and 29% of that of the overseas projects, respectively. Categorized by project location, the value of new contracts for Asia, Africa, Oceania, Latin America, Europe, as well as Hong Kong, Macau and Taiwan and other regions accounted for 41%, 35%, 11%, 7%, 3% and 3% of that of the overseas projects, respectively. The value of new contracts of the Company with countries participating in the joint construction of the “Belt and Road” Initiative was USD43,074 million, accounting for 78% of the value of new contracts from overseas markets. Since the proposal of jointly building the “Belt and Road” Initiative, the value of new contracts of the Company accumulated to USD316,292 million.

During the “14th Five-Year Plan” period, the Company’s overseas business grew by 91.5% year-on-year, with its share of total business increasing from 19% to 21%, reflecting its growing contribution. **Our business structure continued to improve**, supported by a stable foundation of the “whole transportation” segment, the rapid expansion of the “whole cities” segment, the steady release of business growth momentum of the “whole water” segment, and the new breakthroughs achieved in the “whole green” segment.

BUSINESS OVERVIEW

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(VII) Vigorously Develop New Quality Productive Forces and Accelerate the Exploration of New Tracks and Opportunities for its Development.

The Company developed new quality productive forces represented by new business formats, new infrastructure, new materials and new models around the “five wholes, four bigs and five types” approach, making every effort to promote the upgrading and dimensional elevation from products to industry and then to the industrial chain. **Firstly, generally establishing the five major transformation pathways.** The Company defined elements including innovation-driven development, green and low-carbon transition, digital intelligence, shared integration, and sustainable development as the strategic pillars for pursuing innovation and quality, focused on overcoming the traditional reliance on “resource-driven, investment-driven, debt-driven, and administration-driven” approaches, accelerated the creation of a new “intelligent” development engine characterized by “innovation-driven, digital-intelligence-driven, value-driven, and self-driven” mechanisms, vigorously promoting technological innovation, industrial innovation, and model innovation to drive a systematic shift in its development mode. **Secondly, building national strategic scientific and technological strength.** The Company actively integrated itself into the national scientific and technological innovation layout, proactively undertook national key research and development initiatives including the “1025 Special Projects”, and accelerated the upgrading of the supply of key core technologies. It also deepened the establishment of the green and low-carbon original technology hubs for infrastructure of central enterprises and the construction of the marine engineering technology innovation consortiums of central enterprises, strengthening the research on market-oriented application basis, and facilitating “scope expansion, capacity increase and efficiency creation”. **Thirdly, accelerating the cultivation of new quality productive forces.** The Company advanced the continuous empowerment of industrial innovation achievements, promoting the “innovating for strength” of traditional industries. The Company formulated and implemented a special plan for “cultivating new quality productive forces,” and took the lead in initiating the establishment of the Transportation Large Model Innovation and Industry Alliance. It focused on the construction of “four-type transportation” of comprehensive transportation, smart transportation, green transportation and safe transportation, and leveraged the front-end traction role of design and consulting, building key demonstrating projects in the fields of intelligent construction, industrialised construction, smart transportation and smart cities, and thereby promoting the innovation and upgrades in green and low-carbon technologies. The Company formulated special plans for the “eight-network integration” initiative in Lhasa and Wuhai, and developed a series of integrated products encompassing transport + city integration, transport + energy integration, transport + water integration, transport + data integration, and transport + industry integration. Accelerating the “innovating for advancement” of emerging industries. Relying on the industrial renewal action of state-owned enterprises and the future industry development action plan, the Company expedited its research and development of new technologies, and built a full-chain innovation ecosystem of “basic research – technology breakthrough – industrial cultivation”. It focused on achieving breakthrough in strategic emerging industries such as comprehensive seawater utilisation industry and BDS application industry, and accelerated the construction of its capabilities for future fields such as deep earth space, deep-sea mining as well as the systematic development of inland-waterway network. Accelerating the “empowering with digital intelligence” for digital transformation. The Company focused on promoting the construction of “four modernisation” including industrial digitalisation, digital industrialisation, management digitalisation and data valorisation, aiming to build a “Digital CCCC”.

During the reporting period, the value of new contract of the Company in the emerging business fields amounted to RMB665,543 million, representing a year-on-year decrease of 5.6%. The Company seized the policy opportunities in the development of strategic emerging industries, and according to the directory of guidelines for the development of strategic emerging industries, clearly defined 8 key fields and more than 20 sub-divisions in strategic emerging industry layout in the near future, selected sub-divisions such as offshore wind power, application of Beidou Satellite Telemetry Channel and integration of transportation and energy, which are currently the focus of our efforts, formed a package of support policies and specific measures for innovation leadership, product development, scenario demonstration and enterprise cultivation.

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Focus on Technological Innovation and Foster Deep Integration with Industrial Innovation.

Focusing on its main responsibility and principal business, the Company attached great importance to the key and core technologies as well as bottleneck problems. It followed the guidance of pilot projects of building national strength in transportation to continuously improve the technological innovation system, strengthen efforts to achieve breakthroughs in core technologies and build a cradle for original technology. It was committed to improving the independent innovation capability, continuously deepening the technology system reform, enhancing technological innovation incentive and talent pool construction, taking multiple measures to fully leverage the guiding, driving, and safeguarding role of technological innovation, accelerating the realization of high-level self-reliance and self-strengthening in science and technology.

The Company has four national-level R&D innovation platforms, with 15 subsidiaries enjoying the preferential tax policies for high-tech enterprises, and employs an R&D workforce of 33,000 professionals. Over the years, the Company has been accumulatively awarded with 54 National Science and Technology Advancement Awards, 5 National Technological Invention Awards, 130 Luban Awards, 400 National Quality Project Awards (including 46 golden awards), more than 120 Zhan Tianyou Awards, 2 Chinese Golden Patent Awards and 50 Chinese Outstanding Patent Awards. The Company has accumulatively led or participated in the compilation of 196 national standards and 572 industry standards that have been promulgated. It has a total of 40,851 granted patents.¹

During the reporting period, the Company's R&D cost was RMB25,029 million, accounting for 3.4% of the revenue. Among which, material costs, personnel fees, costs for machinery utilization and leasing, asset depreciation and amortisation, and other expenses accounted for 63%, 23%, 3%, 1% and 10%, respectively. The Company increased R&D investment in strategic emerging industries and future industries such as smart highways, intelligent port, advanced engineering vessels, industrial software, water conservancy and hydropower, and underground space development.

¹ Statistics from the awards received by CCCC and its subsidiaries.

BUSINESS OVERVIEW

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Focus on Technological Innovation and Foster Deep Integration with Industrial Innovation. (continued)

Firstly, continuously enhancing the construction of national innovation platforms. Four national innovation platforms under the lead of the Company including the National Key Laboratory of Green and Long-life Road Engineering in Extreme Environment (極端環境綠色長壽道路工程全國重點實驗室), the Dredging Technology and Equipment National Engineering Research Centre (疏浚技術裝備國家工程研究中心), the Highway Bridges National Engineering Research Centre (公路長大橋建設國家工程研究中心) and the National Field Scientific Observation and Research Station for Engineering Safety of the Huashixia Permafrost Highway in Qinghai (青海花石峽凍土公路工程安全國家野外科學觀測研究站) operated at high quality, the State Key Laboratory of Estuarine and Coastal Research of which the Company participated in construction had been approved for establishment, making the Company rank among the top central enterprises engaging in construction in terms of the number of national innovation platforms under operation. The Company also facilitated the establishment in China of the world's first ISO Standardisation Technical Committee of Port and Terminal. **Continuous breakthrough in terms of number of positions in international organisation.** In particular, Zhang Xigang (張喜剛), an academician of the Chinese Academy of Engineering, and Li Yiming (李義明) were appointed as the vice chairperson of the International Road Federation (IRF) and the Chairperson of ISO Ports and Terminals Committee, respectively. Zhang Xigang (張喜剛), an academician of the Chinese Academy of Engineering, won the Bridge Award of the Mao Yisheng Science and Technology Award and the title of "100 Excellent Engineers by China Highway & Transportation Society", and Lin Ming (林鳴), an academician of the Chinese Academy of Engineering, won the Science and Technology Achievement Award of Ho Leung Ho Lee Foundation. **Secondly, achieving breakthrough in key core technologies, leading the industry peers.** The Phase II "1025" special tasks were completed with high quality and were graded with the rating of "A+" by the State-owned Assets Supervision and Administration Commission (SASAC). In particular, "Tongjun (通浚)" and "Junguang (浚廣)" vessels independently designed and constructed by the Company have filled the domestic capability gap in 35,000-cubic-meter ultra-large trailing hopper dredgers. "Beijing Capital (首創號)", the world's first ultra-large-diameter full-face hard rock vertical tunnel boring machine for high-altitude permafrost environments independently developed by the Company, had completed the tunneling task of 707-meter shaft of the Tianshan Shengli Tunnel project, setting three world records for vertical shaft boring machines in construction depth, diameter, and altitude; "Junlan (浚瀾)", the world's largest fully electric-driven, dismountable and environment-friendly cutter suction dredger for ecological dredging in rivers, lakes, and reservoirs independently developed by the Company, had been put into operation for the first time; and the "Taihu Light (太湖之光)" series of equipment was ready for production. The first new intelligent assembly technology for pipe segments in China completed in-plant testing. The Company was awarded the A-level ranking among the central enterprises in terms of patents in 2024. **Thirdly, outstanding results had been achieved in green digital transformation.** The Company launched the first enterprise-level digital dual-carbon platform in the industry, and its carbon emission accounting method obtained an international patent; the "Addis Ababa Ring Road" project in Ethiopia undertaken by the Company was selected as a "Best Practice Case of Global Sustainable Transport" by the United Nations. "Integration of Transportation", the first large model for the civil engineering and transportation industry among central enterprises was released, and the market promotion of CCCC Blue Journey BIM platform (交通藍途BIM平台) has shown initial effectiveness. Besides, the Company was awarded as the "Demonstration Unit for Digital-Intelligent Financial Transformation of Chinese Enterprises (中國企業財務數智化轉型示範單位)" and the "Demonstration Unit for Data Asset Management of Chinese Enterprises (中國企業數據資產管理示範單位)".

In 2026, the Company will strive to build a scientific and technological innovation and achievement transformation system based on the principle of "four generations, five categories, application-centric", strive to refine a digital and intelligent development system featuring "deep integration with business, precise value measurement", strive to strengthen coordinated development system for major equipment guided by the framework of "one body, two wings, three drivers", strive to foster an incubation system for strategic emerging and future industries driven by the "dual-wheel drive of technology empowerment and application leadership", and strive to optimize a coordinated system for scientific and technological innovation resources characterized by "system support, value guidance, vitality empowerment".

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(IX) Continuously Make New Achievements in Business Qualifications and Accelerate the Accumulation of Water Conservancy Business Qualifications.

The Company obtains several extra-grade, grade A and comprehensive grade A qualifications for the main businesses.

The Company has obtained a total of 66 extra-grade qualifications, including 19 extra-grade qualifications for general contracting of port and waterway engineering construction, 39 extra-grade qualifications for general contracting of highway project construction, 5 extra-grade qualifications for general contracting of architectural engineering construction and 3 extra-grade qualifications for general contracting of municipal utilities project construction. The Company now has obtained more than 1,800 qualifications for major engineering construction, and nearly 300 qualifications for engineering consulting, survey and design.

During the reporting period, the Company obtained a total of 14 grade A and extra-grade qualifications, including 1 extra-grade qualification for general contracting of port and waterway engineering construction, 1 extra-grade qualification for general contracting of municipal utilities project construction and 1 extra-grade qualification for general contracting of architectural engineering construction. Sub-subsidiaries obtained 5 qualifications, significantly enhancing their market competitiveness. The Company successfully obtained 1 first-grade general contracting qualification for water conservancy and hydropower construction, including which, a new pattern of 15 first-grade general contracting qualifications for water conservancy and hydropower construction, 1 grade A qualification for water conservancy and hydropower engineering design and a total of 8 grade A integrated qualifications was formed, achieving the full-chain and full-lifecycle serving capabilities for water conservancy industry from front-end planning and design to subsequent construction and operation.

IV. BUSINESS PLAN AND PROSPECT

(I) Business Plan

In 2025, according to statistics, the value of new contracts of the Company reached RMB1,883,672 million, representing a year-on-year increase of 0.1% and indicating that 93% of the annual target has been realized. The revenue amounted to RMB726,636 million, achieving 90% of the annual target.

The Company plans to achieve a year-on-year growth rate of not less than 2.6% in the value of new contracts for the year of 2026, and the planned year-on-year growth rate of revenue is not less than 6.8%.

(II) Industry Landscape and Trends

From a domestic perspective, China's economy is pressing ahead amid headwinds while advancing toward new growth drivers and high-quality development. Despite the acute imbalance between robust supply and weak demand, as well as risks and hidden vulnerabilities in key sectors, the supportive conditions and underlying trend for long-term improvement of China's economy have not changed. The construction industry is facing the severe challenge of "peaking demand and subsequent downturn", transitioning from a phase dominated by "incremental growth" to "equal emphasis on both incremental and existing asset". This will inevitably drive in-depth adjustments and even fundamental restructuring of development philosophy, development models, management paradigms, organizational structures and resource allocation mechanisms. At the national level, a series of key policies focused on "incremental expansion and growth stabilization" have been introduced successively, providing significant opportunities for the development of the infrastructure industry. The advance batch list of "two major" project has been released, and the construction of national zero-carbon park has kicked off rapidly; the construction of the "one network, four modernizations" is accelerating, and the main backbone of "6 axes, 7 corridors, 8 channels" continuously improves, driving robust demand for smart transportation, zero-carbon freight corridors and terminals, and clean energy equipment; the urban market focus has changed from large-scale incremental construction to the simultaneous improvement of the quality of stock, which demands "meticulous and refined craftsmanship", including old urban residential community renovation and safety projects for urban infrastructure lifeline systems; the construction of the modern water network is accelerating, with average annual investment exceeding RMB1 trillion; and the "marine economy" has been elevated to a position of strategic importance, with the development of offshore wind power, deep and far-sea resource rapidly being translated into substantive market opportunities.

BUSINESS OVERVIEW

IV. BUSINESS PLAN AND PROSPECT (CONTINUED)

(II) Industry Landscape and Trends (continued)

From an overseas perspective, the current international situation is complex and severe, characterized by geopolitical volatility, rising fragility of supply chains, the compounding of trade frictions and compliance risks, and a growing number of destabilizing factors. However, new development opportunities have emerged accordingly. Firstly, the vision of a community with a shared future for mankind is gaining ever-growing global recognition, laying a solid foundation for building a multi-dimensional interconnectivity network. High-quality “Belt and Road” cooperation continues to advance steadily, with the “six corridors, six routes, multiple countries and multiple ports” interconnectivity framework taking shape, and “industrial interconnectivity” is ushering significant opportunities. Secondly, China’s significant industrial chain and supply chain advantages provide strong support for joint construction of the “Belt and Road”. China’s economy features a stable foundation, diverse advantages, strong resilience and great potential, with leading advantages in digital, green, transportation, power and communication sectors. Thirdly, the new round of technological revolution and industrial transformation is developing rapidly, with new infrastructure investment significantly expanding. As this round of revolution, represented by large-scale artificial intelligence models, the Internet and big data accelerates its evolution, global factors of production and resources are undergoing rapid restructuring, and new industries and business formats are constantly emerging. In recent years, China and the Belt and Road partner countries have strengthened scientific and technological innovation cooperation and exchanges, accelerated the matching and sharing of innovation factors, and achieved positive progress in advancing the development of the “Silk Road of Innovation (創新之路)”.

(III) Prospect

In 2026, with a comprehensive, dialectical and long-term perspective, the Company will navigate opportunities and challenges by embracing the new prospects of industrial transformation and bolstering its bottom-line thinking and awareness of unexpected development, to strive to overcome various risks and challenges. The Company will continue to take advantage of the traditional main business of “whole transportation”, become a benchmark enterprise focusing on “whole city”, and keep as a leader of international development. It will seek to expand international influence by further expanding domestic and foreign markets and adjusting the business layout, thereby fully promoting the high-quality development of the Company.

Firstly, the Company will focus on its core responsibilities and main business of “whole transportation”, to consolidate its absolute leading position in the industry.

The Company will uphold its absolute leading position in the whole transportation sector, fully strive to seize the incremental market opportunities brought by the “one network, four modernizations”, and focus on the opportunities arising from cross-regional major corridors, border highway, and the upgrading and renovation of existing transport facilities. The Company will proactively implement the integrated development model of “transport-energy, transport-industry, transport-water, transport-digital”, and leverage its advantaged businesses to lead and drive the competitiveness improvement of its relatively weaker businesses. **In the field of coastal port and shipping**, the Company will consolidate its absolute leading advantages, strengthen the screening, planning, tracking and operation management of port and marine engineering supporting facilities, step up market expansion for port operation and maintenance service, and secure renewal, upgrade, expansion and reconstruction projects through the control of scenarios. **In the field of road business**, the Company will closely focus on the “three belts, three crossings” major corridors and the commuting system of city clusters and metropolitan areas, complete the hub connectivity system for multimodal transport, and thus reinforce the core fundamentals of its principal business for the “15th Five-Year Plan” period. **In the field of railway and rail transit**, the Company will continue to focus on five core directions of national rail, local railways, dedicated lines, urban metro systems and overseas markets, deepen cooperation with key customers, and accelerate the growth of its market share. **In the field of airport business**, the Company will reinforce the leading role of forward planning, coordinate high-quality resources across the industrial chain to form a concerted effort for breakthroughs, focus on securing breakthroughs in the airport terminal sector, and drive the implementation and application of the EPC model. **In the field of inland waterways**, the Company will systematically develop integrated planning for inland waterways, multimodal transport and green smart shipping across provinces and cities, transforming its front-end planning capabilities into a distinctive competitive advantage.

IV. BUSINESS PLAN AND PROSPECT (CONTINUED)

(III) Prospect (continued)

Secondly, the Company will enhance its relative competitive advantages in the “whole cities” sector, and build differentiated operational advantages.

The Company will take the “eight-network integration” as the most powerful strategic lever for breakthroughs in the urban development business, regard the “urban physical examination” and “safety projects for urban infrastructure lifeline systems” as its core strategic entry points, scale up the implementation of pilot projects, and accelerate the development of a CCCC benchmark model featuring a commercially closed-loop system. The Company will focus on key regions at the three administrative levels of “provinces, municipalities, and districts/counties”, drive the in-depth integration of the “eight-network integration” initiatives with urban renewal, continuously strengthen talent development, experience accumulation and the establishment of industrial alliances in the urban operation segment, and ultimately achieve a value leap from a “space builder” to an “urban partner”. **For the housing construction business**, the Company will take rapid demolition and rapid construction technologies, standardized industrial plants and assembled buildings as its core strategic priorities, to secure incremental growth from new-type industrial plant projects. It will also expedite the implementation of innovative business represented by the “in-situ demolition and reconstruction + assembled buildings” model. **For the municipal business**, the Company will actively participate in urban physical examination, focus on the updating of urban pipelines, renovation of old residential community, equipment upgrading, smart heating, rehabilitation of underground pipelines, construction of comprehensive utility tunnels, and urban drainage and flood control engineering works, provide targeted, cost-effective integrated solutions of “diagnosis + design + construction + operation and maintenance”, and continuously expand its market share. **For the comprehensive urban development business**, the Company will develop full-life cycle urban renewal projects with end-to-end full-chain service capabilities.

Thirdly, the Company will scale up incremental business in the “whole water” sector, to foster its second growth curve.

The Company will focus on the three core aspects of “big water”, “medium water” and “micro water”, and adopt multi-pronged approaches in the water conservancy and hydropower sector to overcome bottlenecks in qualifications and project performance and accelerate the shaping of its “second growth curve”. The Company will actively promote the application of models including the WOD and EOD, deepen its presence in the full-life cycle operation and maintenance of major water conservancy facilities, regularized desilting of rivers, lakes and reservoirs, and maintenance of supporting pipeline networks for water plants, so as to generate stable long-term service income. The Company will continuously follow up on pilot projects integrating reservoir desilting and farmland management and improvement, push for breakthroughs in national agricultural policies at the central government level, and resolve bottlenecks restricting the large-scale application.

Fourthly, the Company will target and secure incremental growth from emerging and future markets driven by “new quality productive forces”.

The Company will pioneer new business tracks through technological breakthroughs, reshape its business models through digital empowerment and the “AI+”, focus on cutting-edge areas including new quality infrastructure, large-scale models for integrated transportation, green building materials, intelligent construction equipment, and deep-sea engineering technologies, accelerate breakthroughs in core technologies, speed up the commercialization of achievements and industrial incubation, and seize the first-mover opportunities in the transformation and development of the construction industry. The Company will actively engage in the R&D of floating wind power in the **offshore wind power and photovoltaic**, capture opportunities arising from subsea data centers and offshore wind-to-hydrogen, take an in-depth role in the comprehensive development and utilization of uninhabited islands, and actively explore integrated “ocean +” applications, such as wind-fishery hybrid systems, wind-data synergy solutions, and co-located wind-solar facilities, ensuring its absolute leading position in the “deep blue ocean” sector. The Company will take energy storage as its key breakthrough point in the **energy engineering and mining engineering**, to enhance its participation in the construction of large-scale bases. The Company will take the **new quality productive forces** as the key to strategic breakthroughs, and upgrade its traditional production methods through the application of artificial intelligence, BIM collaboration, industrialized construction, and green and low-carbon construction. The Company will innovate the combination of business models, take the “eight-network integration” as the core carrier, promote the in-depth integration of transport-urban, transport-energy, transport-water, transport-digital and transport-industry, drive the integrated development of engineering construction and operation and maintenance services, and upgrade from the “turnkey delivery” to “full life-cycle management”. **For agriculture, forestry, animal husbandry, and fishery business**, the Company will follow up on areas including the flood and drought prevention system, modern water network, and water conservancy construction for the modernization of agriculture and rural areas, to cultivate and accumulate professional capabilities in the course of business development.

BUSINESS OVERVIEW

IV. BUSINESS PLAN AND PROSPECT (CONTINUED)

(III) Prospect (continued)

Fifthly, the Company will deepen its comprehensive leading advantages in the “big overseas” sector.

The Company will follow the developments of “high-level leadership visits”, advance coordinated fundamental market research under the Trans-Caspian International Transport Corridor (跨裡海國際運輸通道), and China-Pakistan Economic Corridor (中巴經濟走廊) and other frameworks, explore the cooperation potential of major projects, and proactively lay out key interconnectivity projects. The Company will accelerate the coordinated development of priority and high-quality businesses, adhere to the “four-step” roadmap, deepen the “1+5+N” structure of overseas operation entities, establish and improve the supporting mechanism for the “six priorities”, and develop overseas demonstration projects for the “eight-network integration”.

V. BUSINESS OVERVIEW

During the reporting period, the value of new contracts of the Company amounted to RMB1,883,672 million, representing a year-on-year increase of 0.1%, which was mainly due to the increased construction demand from overseas projects, port construction and energy projects and other fields. The Company continuously improved the business structure, steadily expanded the scale of cash remittance and continuously improved its investment structure. As at 31 December 2025, the backlog of the Company amounted to RMB3,445,952 million.

The value of new contracts of all businesses from whole transportation, whole cities, whole water, whole green, and whole digital as well as other segments amounted to RMB703,314 million, RMB795,460 million, RMB141,154 million, RMB199,033 million, RMB17,825 million and RMB26,886 million, respectively.

The value of new contracts of all businesses from overseas markets amounted to RMB392,441 million (equivalent to approximately USD55,164 million), representing a year-on-year increase of 9.1%, and accounting for approximately 21% of the Company’s new contracts value. Wherein, the total new contract value of projects with each contract value of over USD300 million amounted to USD33,494 million, accounting for 61% of total value of all overseas new contracts of the Company. Statistics showed that as at 31 December 2025, the Company operated businesses in 139 countries and regions.

The value of new contracts of all businesses from emerging business fields represented by energy conservation and environmental protection, new energy, new materials and new-generation information technology amounted to RMB665,543 million, representing a year-on-year decrease of 5.6%. Despite slight year-on-year adjustments, the overall scale remained at a relatively high level, contributing 35% of the Company’s total performance, which reflects the phased achievements of the Company’s transformation and development.

The value of new contracts of all businesses from emerging business fields such as energy engineering projects amounted to RMB122,369 million, representing a year-on-year increase of 50.4%; the value of new contracts from agriculture, forestry, animal husbandry and fishery engineering projects amounted to RMB20,062 million, representing a year-on-year increase of 135.9%; and the value of new contracts from water conservancy projects amounted to RMB76,691 million, representing a year-on-year increase of 0.4%.

The value of contracts of all businesses from infrastructure investment projects amounted to RMB80,089 million for domestic market and RMB8,453 million for overseas market as recognized in proportion to the Company’s shareholding, and the contract value of construction and installation contracts to be undertaken by the Company in the design and construction sector was estimated to be RMB75,377 million. Among them, the Company secured contracts for projects such as urban village renovation projects in various areas of Huangpu District of Guangzhou City and Qiantang District of Hangzhou City, multiple energy projects including the Ningxia Pumped Storage Power Station and the Shanghai Qingpu Smart Integrated Energy Project, as well as representative Modern Marine Pasture Projects in Dalian and Dandong.

(I) BUSINESS REVIEW AND MARKET STRATEGIES

1. Domestic Market

During the reporting period, leveraging on the synergetic effect of macro policies, the economic operation of China showed an overall stable trend and steady progress with the GDP recorded a year-on-year growth of 5.0%. According to the data released by the National Bureau of Statistics (NBS), in 2025, the investment in infrastructure decreased by 2.2% year-on-year. Among them, investment in the pipeline transport business increased by 36.0%; investment in multimodal transport and transportation agency industry increased by 22.9%; and investment in the shipping business increased by 7.7%.

2. Overseas Market

During the reporting period, the international situation was characterized by multiple risks and challenges, including a mixture of chaos, prolonged and escalating geopolitical conflicts, and increasingly stringent policy fluctuations. Based on scientific and technological reform and industrial reform, high-quality economic and social development giving rise to many new industries and new models, the development of the infrastructure construction industry is facing another round of integration. The willingness of governments to stimulate the economy through infrastructure has been further enhanced, the demand for inter-regional transportation interconnection has increased, and major projects and high-quality projects are further clustered to the leading enterprises. The eight actions of the "Belt and Road" Initiative, the China-Africa "Ten Partnership Actions" and the series of deployment arrangements under a number of bilateral and multilateral cooperation mechanisms have brought new opportunities for overseas business development. According to data released by the China International Contractors Association, in 2025, the value of new contracts signed for China's overseas contracted projects increased by 8.5% year-on-year, indicating vast potential in the international market in the future.

3. Business Summary

(1) Infrastructure Construction Business

The scope of infrastructure construction business mainly consists of investment, design, construction, operation and management of ports, roads and bridges, railways, water conservancy, urban rail transit, municipal infrastructures, building construction, environmental protection and related projects at home and abroad. Categorized by project type, it specifically covers port construction, road and bridge construction, urban construction, and overseas projects.

During the reporting period, the value of new infrastructure construction contracts entered into by the Company amounted to RMB1,722,420 million, representing a year-on-year increase of 1.3%. The value of new contracts from overseas markets amounted to RMB377,791 million (equivalent to approximately USD53,105 million). As at 31 December 2025, the backlog of the Company amounted to RMB2,844,984 million.

Categorized by project type and location, the value of new contracts in terms of port construction, road and bridge construction, railway construction, urban construction, etc. and overseas projects amounted to RMB94,781 million, RMB269,060 million, RMB16,385 million, RMB964,403 million and RMB377,791 million, representing 5%, 16%, 1%, 56% and 22% of the total value of new infrastructure construction contracts, respectively.

① Port Construction

As the largest port construction enterprise in China, the Company has undertaken a majority of medium and large port terminals since the founding of the PRC. With compelling competitive edges, the Company encountered relatively limited substantive competitors.

Data published by the Ministry of Transport of the PRC showed that fixed asset investment in coastal and inland water transport construction amounted to approximately RMB193,540 million from January to November 2025, representing a year-on-year decrease of 2.2%.

During the reporting period, the value of new contracts of the Company for port construction projects in Chinese Mainland amounted to RMB94,781 million, representing a year-on-year increase of 8.2%, and accounting for 5% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB301 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB1,641 million.

BUSINESS OVERVIEW

(I) BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

3. Business Summary (continued)

(1) Infrastructure Construction Business (continued)

② Road and Bridge Construction

As one of the largest road and bridge construction enterprises in China, the Company enjoys remarkable technical and scale advantages in construction of expressways, high-grade highways as well as river-crossing and sea-crossing bridges, and is the market leader in the same industry in China. The road business of the Company realizes a consulting service industry pattern of infrastructure sector with full lifecycle and whole-process integration, covering from single industry chain to whole industry chain (planning, feasibility study, investment and financing, survey and design, project construction, operation and maintenance, and asset disposal). With the advantages of leading technical strength, sufficient capital resources, outstanding project performance, abundant resource reserves and good reputation in the highway business, the Company is able to provide integrated consulting services across the whole industry chain. The Company has made important breakthroughs in key technologies such as the construction of mega-span suspension bridges, and has developed a comparative advantage over its competitors in the research of alpine frozen soil technologies, along with the whole industry chain and integrated services covering bridge, island and tunnel projects. Major competitors of the Company are some large-scale central state-owned enterprises and local state-owned infrastructure enterprises.

Data published by the Ministry of Transport of the PRC showed that fixed asset investment in road transport construction amounted to approximately RMB2,224,332 million from January to November 2025, representing a year-on-year decrease of 5.9%.

During the reporting period, the value of new contracts of the Company for road and bridge construction projects in Chinese Mainland reached RMB269,060 million, representing a year-on-year decrease of 2.2%, and accounting for 16% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects amount to RMB43,622 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB41,498 million.

③ Railway Construction

As one of the largest railway construction enterprises in China, the Company sticks to the strategic target of completely becoming a first-class rail transportation comprehensive service provider with leading technology, advanced management and outstanding quality.

During the reporting period, China promoted the railway construction in a scientific and orderly manner with an investment on fixed assets of national railway field of RMB901,500 million, representing a year-on-year increase of 6.0%. The value of new contracts of the Company for railway construction projects in Chinese Mainland amounted to RMB16,385 million, representing a year-on-year increase of 0.8%, and accounting for 1% of that of the infrastructure construction business. According to statistics, in terms of the value of contracts awarded, the Company's market share amounted to 3.6%, ranking the third in the industry and the first among non-railway sectors.

④ Urban Construction, etc.

The Company actively participated in urban construction for building construction, urban rail transit and comprehensive urban development extensively, with considerable influence in the market. Meanwhile, the Company accelerated the layout of emerging industries, such as water conservancy, energy businesses, ecological and environmental protection, urban water environment treatment, etc., and endeavored to cultivate new growth points.

During the reporting period, the value of new contracts of the Company for urban construction projects in Chinese Mainland reached RMB964,403 million, representing a year-on-year decrease of 1.3%, and accounting for 56% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB32,853 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB13,315 million.

Categorized by project type, the value of new contracts for building construction, municipal engineering, ecological and environmental protection, water conservancy, comprehensive urban development, offshore wind power, urban rail transit and other projects accounted for 46%, 14%, 5%, 2%, 2%, 1%, 1% and 29%, respectively, of the value of new contracts for urban construction projects.

(I) BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

3. Business Summary (continued)

(1) Infrastructure Construction Business (continued)

⑤ Overseas Projects

The Company's scope of overseas projects in the infrastructure construction business includes all kinds of large-scale infrastructure projects such as roads and bridges, ports, railways, airports, environmental protection, subways, buildings, water conservancy and hydropower, clean energy etc., with remarkable competitive edges in the market.

During the reporting period, the value of new contracts of the Company for overseas projects in the infrastructure construction business amounted to RMB377,791 million (equivalent to approximately USD53,105 million), representing a year-on-year increase of 9.6%, and accounting for 22% of that of the infrastructure construction business.

(2) Infrastructure Design Business

The scope of infrastructure design business mainly includes consulting and planning service, feasibility study, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, general project contracting, compilation of industry standards and codes, etc.

As the largest port design enterprise in China, as well as the world's leading highway, bridge and tunnel design enterprise, the Company enjoys remarkable competitive edges in related business fields. As compared with the Company, other participants in the market have relatively weak competitiveness. In terms of the railway infrastructure design business, the Company has entered into the market during the "11th Five-Year Plan" period, and its operations mainly involve overseas railway projects and domestic rail transit projects.

During the reporting period, the value of new contracts of the Company in infrastructure design business reached RMB42,500 million, representing a year-on-year decrease of 19.3%. Wherein, the value of new contracts from overseas markets amounted to RMB3,614 million (equivalent to approximately USD508 million). As at 31 December 2025, the backlog of the Company amounted to RMB181,320 million.

(3) Dredging Business

The scope of dredging business mainly includes infrastructure dredging, maintenance dredging, environmental dredging, reclamation and watershed management, as well as supporting projects related to dredging and land reclamation.

During the reporting period, the value of new contracts of the Company in dredging business reached RMB106,885 million, representing a year-on-year decrease of 7.9%. Wherein, the value of new contracts from overseas markets amounted to RMB9,601 million (equivalent to approximately USD1,350 million). As at 31 December 2025, the backlog of the Company amounted to RMB391,376 million.

The Company is the world's largest dredging company and enjoys absolute influence in China's coastal dredging market, with business scope covering the fields of port dredging, channel dredging, land reclamation, watershed management, pre-dredging and post-dredging services and environmental protection. During the reporting period, the Company currently has the largest and most advanced fleet of dredging vessels in China and ranks the first in the global market in terms of 88 trailing suction hopper dredgers and cutter suction dredgers. During the reporting period, the Company continued to optimize its asset structure by steadily promoting the investment, construction and acquisition of major dredging vessels and equipment, eliminating some old and inefficient outdated vessels, optimizing the dispatching mechanism of equipment such as cutter suction dredgers to improve the construction utilization rate.

BUSINESS OVERVIEW

(I) BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

3. Business Summary (continued)

(4) Other Businesses

Other businesses mainly include the equipment manufacturing of shield machines along the Company's entire industrial chain, centralized procurement of materials and financial industry support, etc.

The Company has established a shield machine center to build a professional platform for shield machine engineering management and technical services. **Shield machine equipment** focuses on equipment upgrades, leveraging AI technology to maintain a leading position in the shield machine manufacturing industry. The "Beijing Capital (首創號)", the world's largest-diameter and deepest vertical hard rock shield tunnel boring machine developed independently, has completed the excavation task of the Tianshan Shengli Tunnel and set three world records. The Company continued to optimize the **procurement mode of materials**, established the control scheme for domestic trade enterprises, and strengthened the source procurement in practice; dynamically adjusted the procurement catalog, explored the regional procurement of different categories, and implemented the procurement of flooring materials, so as to expand the benefits of procurement; and carried out regional procurement with overseas markets to improve the system construction of the Company's overseas supply chain, and enhanced the internationalization of the procurement management standard.

During the reporting period, the value of new contracts of the Company in other businesses amounted to RMB11,867 million. As at 31 December 2025, the backlog of the Company amounted to RMB28,272 million.

4. Some Major Contracts Entered into during the Reporting Period (Unit: RMB100 million)

(1) Infrastructure Construction Business

Port Construction

No.	Contract Name	Contract Value
1	Phase V of General Contracting Project in the Coal Port Area of Huanghua Port in Cangzhou City, Hebei Province	28.91
2	Construction Project for General Wharves, Land-based Storage Yards, and Production and Living Support Facilities in the Marine Industry and Supporting Wharf Area of the Zhoushan Port in Ningbo City, Zhejiang Province	19.05
3	Project for the Improvement of the Navigation Channel of the Huai Bin Section in Huai River, Xinyang City, Henan Province	18.89
4	Phase 1 of Crude Oil Terminal Project in the Bulk Cargo Area of Huanghua Port in Cangzhou City, Hebei Province	17.47
5	EPC Project of Phase I Hydraulic Engineering of the Intelligent New Energy Ship Industry Park in Huanggang City, Hubei Province	14.20

(I) BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

4. Some Major Contracts Entered into during the Reporting Period (Unit: RMB100 million) (continued)

(1) Infrastructure Construction Business (continued)

Road and Bridge Construction

No.	Contract Name	Contract Value
1	General Contracting Project for Construction of the Fangchuan-Hunchun Section of the G12 Hunchun-Ulanhot Expressway and Laoyeling (Heilongjiang-Jilin Border)-Wangqing Section of the G1131 Mudanjiang-Yanji Expressway in Jilin Province	95.92
2	Project of Hangzhou Middle Ring Road to Zhejiang-Jiangxi Border of G2531 in Hangzhou City, Zhejiang Province	86.29
3	G6002 Guiyang Ring Expressway Expansion Project	50.00
4	Construction Project for the New and Reconstructed Section of National Highway G214 from Jiaka to Bangda Airport in the Xizang Autonomous Region	43.63
5	Civil Engineering Construction Project for the Reconstruction and Expansion of the Guangdong Section of the Beijing-Hong Kong-Macau Expressway from Wujiang in Shaoguan to Fogang in Qingyuan in Guangdong Province	38.57

Railway Construction

No.	Contract Name	Contract Value
1	Zhejiang Section Station Front and Related Works Project for the New Wenzhou-Fuzhou High-Speed Railway in Zhejiang Province	37.61
2	Construction Project of Section CGJXZQ-4, Jiangxi Section of the New Changsha-Ganzhou High-Speed Railway in Jiangxi Province	31.49
3	Station Front Engineering Project for New Yichang to Fuling High-Speed Railway (Hubei Section) in Yichang City, Hubei Province	30.89
4	EPC Project for Northern Infrastructure and Supporting Facilities for the Nansha Hub Area, and Supporting Facilities for the Nansha Station Integrated Transport Hub in Guangdong Province	18.85
5	General Contracting Project for the Capacity Expansion and Renovation of the Linhe to Ejina Section of the Linha Railway in Inner Mongolia Autonomous Region	17.84

Urban Construction, etc.

No.	Contract Name	Contract Value
1	Ecological Agriculture Industry Integration Demonstration Project in Jing'an County, Yichun City, Jiangxi Province	63.90
2	EPC Project for High-Quality Development Demonstration of Ecological Science and Technology Agriculture and Tourism in Hengdong County, Hengyang City, Hunan Province	60.70
3	EPC Project for the Coal Transportation Trunk Corridor Project in Hami City, Xinjiang (Santanhu to Xiamaya Section)	54.48
4	Comprehensive Urban Renewal Development Project in Jinshui District, Zhengzhou City, Henan Province	52.93
5	"Project of Hundred Counties, Thousand Towns and Ten Thousand Villages (百千萬工程)" and Urban-Rural Integration Development Project in Zhaoqing City, Guangdong Province	50.00

BUSINESS OVERVIEW

(I) BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

4. Some Major Contracts Entered into during the Reporting Period (Unit: RMB100 million) (continued)

(1) Infrastructure Construction Business (continued)

Overseas Projects

No.	Contract Name	Contract Value
1	T2D Section of Adelaide Ring Road, South Australia, Australia	224.70
2	Dubai Al Maktoum International Airport Underground Structures Project, United Arab Emirates	211.74
3	Construction Project for Phase 2 of Multi-functional Venue and Office Building of Diriyah Gate in Riyadh, Saudi Arabia	109.11
4	121 km Railway Project of Boucheqouf-Souk Ahras-Télergma Section, Algeria	71.32
5	Barskoon-Bedel Border Crossing Road Project, Kyrgyzstan	71.14

(2) Infrastructure Design Business

No.	Contract Name	Contract Value
1	EPC Project for the Ship Maintenance and Offshore Engineering Equipment Base at the Xinxing Operations Area, Shentou Port District, Yangpu Port, Hainan Province	18.66
2	EPC Project for the Berth Engineering of Eastern Section of the Tonghai Operation Area, Nantong Port, Jiangsu Province	15.44
3	EPC Project for Commercial and Residential Development at 139 Shihezi Road, Changji Prefecture, Xinjiang	11.74
4	Industrialisation Demonstration Project for Enhancing Land Quality and Yield in Modern Agriculture, Rizhao City, Shandong Province	11.39
5	Phase I EPC Project for Multi-purpose Quay at Second Harbour Basin, Huanghua Port Comprehensive Port Area, Cangzhou City, Hebei Province	8.62

(3) Dredging Business

No.	Contract Name	Contract Value
1	General Terminal Project at Yandun Hill, Wenzhou Port, Zhejiang Province, and Phase I Project of Huadong Offshore Wind Power Maintenance Home Port Mining in Cangnan County	40.50
2	EPC Project for the South Area of Xiuyu High-Speed Railway Station in Putian City, Fujian Province	32.99
3	5G Integrated Photovoltaic and Wind Power New Energy Smart Street Lighting – Distributed Micro-Wind Power Generation Project in Zhengzhou City, Henan Province	29.26
4	Project for Comprehensive Ecological Environment Improvement and Remediation in Jiulishan Area in Luquan District, Shijiazhuang City in Hebei Province	24.02
5	Construction Project for Waterway Dredging and Land Formation of Phase V of Nansha Port Area of Guangzhou Port in Guangdong Province	20.94

(II) MAJOR PRODUCTION AND OPERATIONAL DATA

1. Values of Contracts Newly Entered into during the Reporting Period *(RMB100 million)*

Business Segment	October-December 2025		Accumulated in 2025		Aggregate for the same period of 2024	Year- on-year change
	Number	Amount	Number	Amount	Amount	(%)
Infrastructure Construction Business	1,984	4,999.80	7,509	17,224.20	17,005.82	1.28
Port Construction	97	322.54	416	947.81	876.34	8.16
Road and Bridge Construction	224	804.29	838	2,690.60	2,751.88	-2.23
Railway Construction	8	57.35	29	163.85	162.60	0.77
Urban Construction, etc.	1,518	2,842.87	5,644	9,644.03	9,768.56	-1.27
Overseas Projects	137	972.75	582	3,777.91	3,446.44	9.62
Infrastructure Design Business	1,495	120.70	8,138	425.00	526.46	-19.27
Dredging Business	348	280.52	1,502	1,068.85	1,160.17	-7.87
Other Businesses	N/A	36.00	N/A	118.67	119.40	-0.61
Total	N/A	5,437.02	N/A	18,836.72	18,811.85	0.13

Values of infrastructure construction contracts newly entered into outside the PRC during the reporting period *(RMB100 million)*

Region of projects	Number of projects	Total value
Asia (excluding Hong Kong, Macau and Taiwan)	231	1,510.79
Africa	199	1,352.82
Oceania	26	453.94
Latin America	62	247.49
Europe	14	102.34
Hong Kong, Macau, Taiwan and other regions	50	110.53
Total	582	3,777.91

Note: The above data of infrastructure construction business was calculated by region.

BUSINESS OVERVIEW

(II) MAJOR PRODUCTION AND OPERATIONAL DATA (CONTINUED)

2. Completed and Accepted Projects during the Reporting Period (RMB100 million)

Total number of projects		N/A	
Total project value		2,558.59	
		Number	Value
Categorized by region	Domestic	N/A	2,403.78
	Overseas	N/A	154.81
Categorized by business type	Infrastructure construction business	971	2,374.05
	Infrastructure design business	1,069	96.45
	Dredging business	85	86.74
	Other businesses	N/A	1.35

Note: Calculated based on projects whose main construction has been completed or projects that have generated more than 95% of their output.

3. Projects under Construction during the Reporting Period (RMB100 million)

Total number of projects		N/A	
Total project value		43,402.32	
		Number	Value
Categorized by region	Domestic	N/A	37,071.63
	Overseas	N/A	6,330.69
Categorized by business type	Infrastructure construction business	7,631	37,498.06
	Infrastructure design business	25,830	2,411.03
	Dredging business	2,164	3,190.38
	Other businesses	N/A	302.85

(II) MAJOR PRODUCTION AND OPERATIONAL DATA (CONTINUED)

4. Outstanding Projects during the Reporting Period (RMB100 million)

		Contracted but not yet commenced		Under construction and not yet completed	
Total number of projects		N/A		N/A	
Total project value		9,548.61		24,910.91	
		Number	Value	Number	Value
Categorized by region	Domestic	N/A	7,316.94	N/A	20,793.36
	Overseas	N/A	2,231.67	N/A	4,117.55
Categorized by business type	Infrastructure construction business	2,064	8,009.98	7,365	20,439.86
	Infrastructure design business	210	316.85	22,766	1,496.35
	Dredging business	520	1,214.78	1,772	2,698.98
	Other businesses	N/A	7.00	N/A	275.72

5. Infrastructure and Other Investment Projects

In 2025, the state introduced multiple investment policies centred on stabilising growth, adjusting structures, fostering new drivers, and preventing risks. These measures provided clear guidance for infrastructure investment while establishing a policy foundation for the Company's relevant business operations. The Central Economic Work Conference explicitly called for stabilising investment trends, appropriately increasing the scale of central government budgetary investment, expanding the issuance of ultra-long-term special treasury bonds to support the implementation of "two major" projects, strengthening the leverage effect of government investment, and simultaneously stimulating private investment vitality. The National Development and Reform Commission broadened the scope for infrastructure REITs issuance, further revitalising existing assets and promoting a virtuous cycle of investment.

In 2025, the Company adhered to core principles such as value investing and full-lifecycle investment, precisely advancing its infrastructure investment portfolio to achieve high-quality development in its investment operations. **Firstly, investment management proved precise and effective**, with the total annual investment amount strictly controlled within budgetary limits. Focus was maintained on core responsibilities and principal businesses to consolidate the domestic foundation, while overseas high-quality investment projects were pursued with prudence. **Secondly, business portfolio optimisation continued**, maintaining a balanced investment distribution across whole transportation and whole city sectors. Key projects such as the urban village redevelopment in Huangpu, Guangzhou and Jiangxi G7021 expressway were successfully implemented. Investment in emerging sectors steadily increased, with the portfolio structure aligning with the Company's development strategy. The cyclical structure was continuously refined, achieving "zero new approvals" for long-cycle controlling interests domestically while increasing the proportion of short-cycle, high-liquidity projects. Overseas investments closely followed national strategies, with the implementation of the equity participation project in Techo Funan Canal in Cambodia enriching cross-border operations and supporting overseas business expansion. **Thirdly, risk management yielded significant results**. Investment gatekeeping was rigorously enforced, major changes were appropriately addressed, and equity and investment allocations were optimised to effectively mitigate various investment risks. Post-evaluation outcomes for key projects received commendation from the SASAC, further solidifying the foundation of investment management and ensuring the stable operation of investment assets. **Fourthly, the efficient advancement of asset revitalisation and disposal** had seen breakthroughs in recovering arrears from government platforms and accelerating the monetisation of existing infrastructure assets. Through equity transfers and asset securitisation, the disposal of assets including the Guangming Expressway, Zhukou Yangtze River Bridge, China Communications City (華中中交城), and Guanglian Expressway was completed, effectively enhancing asset turnover efficiency and capital recovery levels, providing robust support for the virtuous cycle of investment operations and high-quality sustainable development.

BUSINESS OVERVIEW

(II) MAJOR PRODUCTION AND OPERATIONAL DATA (CONTINUED)

5. Infrastructure and Other Investment Projects (continued)

Moving forward, the Company will adhere strictly to the requirements of the General Guidelines (《總體指導意見》), uphold its core investment philosophy, maintain risk prevention and control as the baseline, and optimise its infrastructure investment management system, seeking a balance between scale and quality to lay a solid foundation for the Company's steady development and the commencement of the "15th Five-Year Plan" period. **Firstly, the Company will deepen the implementation of strategy** by integrating the General Guidelines throughout the entire investment process. This involves focusing on policy-driven initiatives and high-quality sectors to enhance the quality and efficiency of our investment operations. **Second, the Company will refine investment portfolio** by implementing the requirements of "controlling the main body and adjusting the structure". Anchored by the goal of building a world-class enterprise, the Company will precisely steer investment direction, volume and pace, enhance tiered control system, and improve operational efficiency. **Thirdly, the Company will strictly adhere to risk thresholds** by aligning with the latest regulatory standards, building a management and control system of "prevention and control first, full-process penetration, and strict accountability", comprehensively guarding against investment risks, and ensuring that investment business proceeds steadily and goes far. **Fourthly, the Company will strengthen asset management** by constructing a full-cycle, professionalised intelligent operation system. This drives the transformation of assets from cost-based holding to value-oriented operation, enhances capital preservation and appreciation capabilities, and supports the sustainable development of our business.

(1) New Contracts of Infrastructure and Other Investment Projects

During the reporting period, the confirmed value of contracts from infrastructure investment projects was RMB80,089 million for domestic market (CCCC's interest) and RMB8,453 million (USD1,188 million) for overseas market (CCCC's interest). The value of construction and installation contracts to be undertaken was estimated to be RMB75,377 million, among which, the confirmed values of contracts from BOT projects, non-operational projects and urban comprehensive development projects were RMB55,626 million, RMB10,621 million and RMB22,295 million respectively, accounting for 63%, 12% and 25% of that of infrastructure investment projects respectively.

(2) Government Paid Projects and Urban Comprehensive Development Projects

The accumulative completed investment in government paid projects by the Company amounted to RMB483,134 million with cumulatively RMB128,461 million recovered.

The accumulative completed investment in urban comprehensive development projects by the Company was RMB229,017 million and RMB195,403 million had been received cumulatively by the Company.

(3) Concession Projects

As at 31 December 2025, according to statistics of the consolidated items contracted and financed by the Company (the latest statistics shall prevail if there was any change), the accumulative completed investment in concession projects amounted to RMB226,116 million. 35 concession projects together with 33 share-participation projects had been put into operation, and the operating revenue and net loss for the reporting period were RMB7,682 million and RMB2,327 million, respectively. As audited, as at 31 December 2025, the uncompleted investment amounted to RMB108,100 million.

(II) MAJOR PRODUCTION AND OPERATIONAL DATA (CONTINUED)

5. Infrastructure and Other Investment Projects (continued)

(3) Concession Projects (continued)

① Infrastructure and Other Investment Projects Newly Entered into (RMB million)

No.	Project Name	Project Type	Total Investment Budget Estimate	Contract Value according to Shareholding Ratio of the Company	Expected Construction And Installation Contract Value	Operating Project or Not	Consolidated or Not	Construction Period (Year)	Toll Collection/ Operation Period (Year)
1	G7021 Ningwu Expressway Xingan-Ruichang Section and Xingan-Xingguo Expressway Projects in Jiangxi Province	BOT	44,845	21,974	16,846	Yes	No	3	40
2	Urban Village Redevelopment Project of Nangang North, Xiayuan, Yinling Area of Jinkeng Village, and Dengwu Area of Jinkeng Village in Huangpu District, Guangzhou	Comprehensive urban development	21,590	13,956	1,116	Yes	No	5	-
3	Wuhu Taishan Road Yangtze River Bridge and Connecting Roads Project of S24 Hangzhou-Hefei Expressway	BOT	14,610	7,443	5,316	Yes	No	4	29.67
4	Upgrade and Expansion PPP Project from Jinzhong-Changzhi Boundary to Xiaohebei Section in Tunliu of National Highway G208	BOT	5,459	4,941	2,136	Yes	Yes	3	27
5	Cambodia FTC Project	BOT	8,340	4,087	6,986	Yes	No	3	50
6	Relocation Housing Project for Plot 73-04, Huacao Community, Minhang District, Shanghai	Non-operational	4,036	4,039	1,539	No	Yes	3	2
7	Urban Village Redevelopment and Upgrade Project for China Enterprise International Port (Covering Xiaosibu Village, Minzhu Village, and Southern Section of Xianggong Village) in Qiantang District, Hangzhou	Comprehensive urban development	4,413	3,972	1,951	Yes	Yes	5	1
8	Project in Jiulou Village, Huangpu District, Guangzhou	Non-operational	7,061	3,460	2,861	No	No	5	-
9	Salvador Cross-Sea Bridge Project, Brazil	BOT	19,656	3,156	6,907	Yes	No	5	30
10	Others	-	196,780	21,514	29,719	-	-	-	-
	Total	-	326,790	88,542	75,377	-	-	-	-

BUSINESS OVERVIEW

(II) MAJOR PRODUCTION AND OPERATIONAL DATA (CONTINUED)

5. Infrastructure and Other Investment Projects (continued)

(3) Concession Projects (continued)

② Concession Projects under Development² (RMB million)

No.	Project Name	Confirmed Contract Value according to Shareholding Ratio	Investment Amount in the Period	Accumulated Investment Value
1	Expansion Project of Duyun-Guiyang Section of G76 Xiamen- Chengdu National Expressway and the Rongjiang-Rong'an (Guizhou and Guangxi Conjunction) Expressway Concession Project	28,862	1,825	1,880
2	Highways including Taihangshan Highway in Hebei Province	14,570	Share participation	Share participation
3	Qinhuangdao-Shenyang Expressway (Songlingmen-Shenyang Section) Project	14,392	3,589	3,890
4	Project of Qi County-Lishi Expressway in Shanxi Province	13,587	1,761	2,690
5	PPP Project of Quanzhou-Rongxian Highway (Pingnan-Rongxian Section) in Guangxi Province	12,755	2,288	5,100
6	Project of He County-Wuwei Section of Nanjing – Jiujiang Expressway of G4231	11,114	1,701	1,701
7	Highways including Urumqi-Yuli Highway in Xinjiang	10,616	Share participation	Share participation
8	Project of Guiyang-Jinsha-Gulin (between Guizhou and Sichuan) Highway in Guizhou Province	9,999	Share participation	Share participation
9	Project of Chongqing-Hunan Parallel Line (City Center to Youyang Section) and Wulong-Daozhen (Chongqing Section) Highway in Chongqing	9,687	Share participation	Share participation
10	Project of Dejiang-Yuqing Highway in Guizhou Province	9,388	Share participation	Share participation
11	PPP Project of Hezuo-Saierlong (Gansu and Qinghai Conjunction) Section of Gansu G1816 Wuhai-Maqin Expressway	8,581	2,230	3,513
12	Jianglu North Line Expressway in Chongqing	8,498	Share participation	Share participation
13	Phase I of Project of Urumqi Rail Transit Line 4 in Xinjiang	8,287	Share participation	Share participation
14	Project of Wushan – Guandu Section of Xuanhan – Kaizhou – Yunyang – Wuxi – Wushan Expressway	6,225	357	395
15	Tong'an Expressway in Chongqing	6,047	Share participation	Share participation
16	Reconstruction and Expansion Project of National Highway 208 between Jinzhong Changzhi Border to Tunliu Xiaohabei Section in Shanxi Province	4,940	1,695	2,547
17	Project of Phase I of Expressway from Lingtai to Huating of Line S28 in Gansu Province	4,050	Share participation	Share participation
18	Transit Re-routing Project of Xiangfen – Quwo – Houma of National Highway 108 in Shanxi Province	3,511	91	270
19	Project of Mengxi Industrial Park-Sanbei Yangchang Railway in Ordos, Inner Mongolia	3,383	Share participation	Share participation
20	Project of Naomao Lake-Jiangjun Temple Railway in Xinjiang	3,313	Share participation	Share participation
21	Chongqing CCCC Luoqi Port Project	3,189	321	716
22	Others	19,699	1,028	2,546
	Total	214,693	16,886	25,248

² The breakdown of concession projects under development does not include the concession projects acquired overseas

(II) MAJOR PRODUCTION AND OPERATIONAL DATA (CONTINUED)

5. Infrastructure and Other Investment Projects (continued)

(3) Concession Projects (continued)

③ Concession Projects in Operation Period (RMB million)

No.	Project Name	Accumulated Investment Value	Operating Revenue in the Period	Toll Collection Rights Period (Year)	Completed Toll Collection Rights Period (Year)
1	New Songming-Kunming Expressway, Xuanwei-Qujing Expressway, and Mengzi-Wenshan-Yanshan Expressway in Yunnan Province	28,164	1,264	30	8.0
2	Daozhen-Weng'an Expressway in Guizhou Province	26,523	620	30	10.0
3	Guigang-Long'an Expressway	17,469	618	30	6.5
4	Phnom Penh-Port of Sihanoukville Expressway in Cambodia	13,013	379	50	2.5
5	Yanhe – Yinjiang – Songtao Expressway	11,440	77	30	4.0
6	Guiyang-Qianxi Expressway in Guizhou Province	9,265	380	30	9.0
7	Guiyang-Weng'an Expressway in Guizhou Province	8,558	504	30	10.0
8	PPP Project of Chengde – Pinggu Expressway	8,269	25	25	1.0
9	Yanhe-Dejiang Expressway in Guizhou Province	7,530	148	30	10.0
10	Guiyang-Duyun Expressway in Guizhou Province	7,413	659	30	14.8
11	Yulin-Jiaxian Expressway in Shaanxi Province	6,137	281	30	12.2
12	Yongchuan-Jiangjin Expressway in Chongqing	6,023	108	30	11.0
13	Fengdu-Fuling Expressway in Chongqing	5,982	292	30	12.1
14	Fengdu-Shizhu Expressway in Chongqing	5,577	158	30	12.1
15	South-North Highway in Jamaica	5,071	447	50	10.0
16	BOT Project of Expressway in Nairobi, Kenya	4,787	406	27	3.6
17	Quanzhou Section of Quanzhou-Xiamen-Zhangzhou City Alliance Expressway in Fujian Province	4,775	148	24	5.0
18	PPP Project of Pingle-Zhaoping Expressway	4,640	1	30	0.1
19	Xianning-Tongshan Expressway in Hubei Province	3,119	123	30	12.0
20	Others	17,113	1,044	–	–
	Total	200,868	7,682	–	–

Dengjiahe Park in Xiaogan, Hubei Province, has officially opened. Located in the core area of Xiaogan High-tech Zone, the park covers an area of 4,300 mu, making it the largest urban park in Xiaogan. It features seven distinct zones: Shaded Forest Exploration, Dynamic Sports, Filial Piety and Kindness Culture, Artistic Shopping, Vibrant Technology, Charming Celebrations, and Ecological Education. The opening of this project will comprehensively enhance Xiaogan's natural ecology, humanistic elements, regional characteristics, and cultural connotations.



MANAGEMENT'S DISCUSSION AND ANALYSIS

I. OVERVIEW

For the year 2025, revenue of the Group decreased by 5.4% to RMB726,636 million, among which revenue from external customers attributed to the regions other than PRC amounted to RMB159,045 million, representing an increase of 18.0% year-on-year, accounting for 21.9% of the total revenue. Infrastructure construction business, infrastructure design business, dredging business and other businesses accounted for 84.9%, 4.8%, 7.1% and 3.2% of the total revenue in 2025 (all before elimination of inter-segment transactions), respectively.

Gross profit in 2025 amounted to RMB80,558 million, representing a decrease of 13.0% from RMB92,603 million in 2024. Gross profit from other businesses increased by 1.1%. Gross profit from infrastructure construction business, infrastructure design business and dredging business decreased by 13.3%, 7.2% and 20.8%, respectively. Gross profit margin for infrastructure construction business, infrastructure design business, dredging business and other businesses in 2025 was 9.9%, 18.4%, 11.5% and 12.5%, respectively, as compared with 10.9%, 20.0%, 13.2% and 11.5% in 2024.

For the year 2025, profit attributable to owners of the parent amounted to RMB14,995 million, representing a decrease of 37.1%, compared with RMB23,854 million in 2024. For the year 2025, earnings per share of the Group were RMB0.86, compared with RMB1.40 in 2024.

The debt-to-asset ratio in 2025 increased to 76.8%, compared with 74.8% in 2024.

In 2025, net cash flows from operating activities presented an inflow, amounting to RMB15,333 million, compared with RMB12,506 million in 2024.

The following is a comparison of financial results between the years ended 31 December 2025 and 2024.

II. CONSOLIDATED RESULTS OF OPERATIONS

Revenue

Revenue in 2025 decreased by 5.4% to RMB726,636 million from RMB768,243 million in 2024, mainly due to the slowing down of the growth rate of domestic infrastructure construction industry. Revenue from infrastructure construction business, dredging business, and other businesses amounted to RMB650,150 million, RMB54,191 million, and RMB24,289 million (all before elimination of inter-segment transactions), representing a decrease of 4.8%, 8.9%, and 6.8% respectively. Revenue from infrastructure design business amounted to RMB36,511 million (before elimination of inter-segment transactions), representing an increase of 0.6%. Revenue from external customers attributed to the regions other than PRC amounted to RMB159,045 million, representing an increase of 18.0% year-on-year, accounting for 21.9% of the total revenue.

Cost of Sales and Gross Profit

Cost of sales in 2025 amounted to RMB646,078 million, representing a decrease of 4.4%, from RMB675,640 million in 2024. Cost of sales from infrastructure construction business, dredging business and other businesses amounted to RMB585,478 million, RMB47,969 million and RMB21,263 million (all before elimination of inter-segment transactions) respectively, representing a decrease of 3.7%, 7.0% and 7.8% from 2024; cost of sales from infrastructure design business amounted to RMB29,789 million (all before elimination of inter-segment transactions), representing an increase of 2.6% from 2024.

Cost of sales consisted mainly of subcontracting costs, cost of raw materials and consumables used and employee benefit expenses. For the year 2025, subcontracting costs, cost of raw materials and consumables and employee benefit expenses decreased by 5.7%, 5.9% and 2.4%, respectively.

As a result of the decrease in both revenue and cost of sales, gross profit in 2025 amounted to RMB80,558 million, representing a decrease of 13.0% from RMB92,603 million in 2024. Gross profit from other businesses increased by 1.1%. Gross profit from infrastructure construction business, infrastructure design business and dredging business decreased by 13.3%, 7.2% and 20.8%, respectively. Gross profit margin for infrastructure construction business, infrastructure design business, dredging business and other businesses in 2025 was 9.9%, 18.4%, 11.5% and 12.5%, respectively, as compared with 10.9%, 20.0%, 13.2% and 11.5% in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

II. CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

Other Income

Other income in 2025 amounted to RMB7,212 million, representing an increase of RMB973 million from RMB6,239 million in the corresponding period of 2024.

Other losses, net

Net other losses in 2025 amounted to RMB620 million as compared to RMB1,084 million in 2024. This decrease was primarily attributable to less losses on derecognition of contract assets and financial assets at amortised cost.

Selling and marketing expenses

Selling and marketing expenses in 2025 amounted to RMB3,299 million, representing an increase of 6.7% from RMB3,091 million in 2024. This increase was primarily attributable to increased efforts in market development.

Administrative Expenses

Administrative expenses in 2025 amounted to RMB42,551 million, representing a decrease of 5.9% from RMB45,239 million in 2024.

Operating Profit

Operating profit in 2025 amounted to RMB29,125 million, representing a decrease of 25.9% from RMB39,307 million in 2024. This decrease was mainly due to the decline of business scale and the decrease in gross profit margin.

For the year 2025, operating profit from infrastructure construction business, infrastructure design business, dredging business and other businesses decreased by 25.1%, 21.7%, 32.1% and 11.6% (all before elimination of inter-segment transactions and unallocated cost), respectively from 2024. Operating profit margin decreased to 4.0% in 2025 from 5.1% in 2024.

Finance Income

Finance income in 2025 amounted to RMB22,845 million, representing a decrease of 5.8% from RMB24,241 million in 2024, mainly due to the decline of interest income from PPP projects and the decrease in loan receivables.

Finance Costs, Net

Net finance costs in 2025 amounted to RMB22,630 million, representing a decrease of 5.9% from RMB24,038 million in 2024.

Share of Loss of Joint Ventures

Share of loss of joint ventures in 2025 amounted to RMB1,729 million, as compared with a loss of RMB1,884 million in 2024.

Share of Loss of Associates

Share of loss of associates in 2025 amounted to RMB13 million, as compared with a loss of RMB463 million in 2024, mainly due to the decrease in share of loss of associates.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax in 2025 amounted to RMB27,598 million, representing a decrease of 25.7% from RMB37,163 million in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

II. CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

Income Tax Expense

Income tax expense in 2025 amounted to RMB6,540 million, representing an increase of 3.1% from RMB6,344 million in 2024, mainly due to the increase in non-deductible cost, expense and loss. Effective tax rate for the Group in 2025 increased to 23.7% from 17.1% in 2024.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests in 2025 amounted to RMB6,063 million compared to RMB6,965 million in 2024.

Profit Attributable to Owners of the Parent

Profit attributable to owners of the parent in 2025 amounted to RMB14,995 million, representing a decrease of 37.1% from RMB23,854 million in 2024.

Profit margin with respect to profit attributable to owners of the parent decreased to 2.1% in 2025 from 3.1% in 2024.

III. DISCUSSION OF SEGMENT OPERATIONS

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the years ended 31 December 2025 and 2024.

Business	Revenue Year ended 31 December		Gross Profit Year ended 31 December		Gross Profit Margin Year ended 31 December		Operating Profit ⁽¹⁾ Year ended 31 December		Operating Profit Margin Year ended 31 December	
	2025 (RMB million)	2024 (RMB million)	2025 (RMB million)	2024 (RMB million)	2025 (%)	2024 (%)	2025 (RMB million)	2024 (RMB million)	2025 (%)	2024 (%)
Infrastructure Construction	650,150	682,603	64,672	74,610	9.9	10.9	24,682	32,942	3.8	4.8
% of total	84.9	84.9	80.2	80.5	-	-	80.9	81.1	-	-
Infrastructure Design	36,511	36,287	6,722	7,244	18.4	20.0	2,805	3,583	7.7	9.9
% of total	4.8	4.5	8.3	7.8	-	-	9.2	8.8	-	-
Dredging	54,191	59,461	6,222	7,857	11.5	13.2	2,109	3,105	3.9	5.2
% of total	7.1	7.4	7.7	8.5	-	-	6.9	7.6	-	-
Other businesses	24,289	26,064	3,026	2,992	12.5	11.5	903	1,022	3.7	3.9
% of total	3.2	3.2	3.8	3.2	-	-	3.0	2.5	-	-
Subtotal	765,141	804,415	80,642	92,703	10.5	11.5	30,499	40,652	4.0	5.1
Intersegment elimination	(38,505)	(36,172)	(84)	(100)	-	-	(106)	46	-	-
Unallocated profit/(costs)							(1,268)	(1,391)		
Total	726,636	768,243	80,558	92,603	11.1	12.1	29,125	39,307	4.0	5.1

(1) Total operating profit represents the total of segment profit less unallocated costs or add unallocated profit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

III. DISCUSSION OF SEGMENT OPERATIONS (CONTINUED)

Infrastructure Construction Business

The financial information for the infrastructure construction business presented in this section is before elimination of inter-segment transactions and unallocated costs. The following table sets out the principal profit and loss information for the infrastructure construction business for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (RMB million)	2024 (RMB million)
Revenue	650,150	682,603
Cost of sales	(585,478)	(607,993)
Gross profit	64,672	74,610
Selling and marketing expenses	(1,700)	(1,653)
Administrative expenses	(33,732)	(35,639)
Provision for impairment of contract assets and trade and other receivables	(5,899)	(5,430)
Other income, net and other gains, net	1,341	1,054
Segment result	24,682	32,942
Depreciation and amortisation	11,057	10,307

Revenue. Revenue from the infrastructure construction business in 2025 was RMB650,150 million, representing a decrease of 4.8% from RMB682,603 million in 2024, mainly due to the slowing down of the growth rate of domestic infrastructure construction industry.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business in 2025 was RMB585,478 million, representing a decrease of 3.7% from RMB607,993 million in 2024. Cost of sales as a percentage of revenue increased to 90.1% in 2025 from 89.1% in 2024.

Gross profit from the infrastructure construction business in 2025 decreased by 13.3% to RMB64,672 million from RMB74,610 million in 2024. Gross profit margin slightly decreased to 9.9% in 2025 from 10.9% in 2024, primarily due to the decrease in revenue and the losses on certain projects.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business in 2025 were RMB1,700 million, as compared with RMB1,653 million in 2024.

Administrative expenses. Administrative expenses for the infrastructure construction business were RMB33,732 million in 2025, representing a decrease of 5.4% from RMB35,639 million in 2024, primarily attributable to the decrease in research and development expenses.

Provision for impairment of contract assets and trade and other receivables. Provision for impairment of contract assets and trade and other receivables for the infrastructure construction business were RMB5,899 million in 2025, representing an increase of 8.6% from RMB5,430 million in 2024, mainly due to the increase in the scale of accounts receivable and the increase of receivables with a relatively long aging.

Other income, net and other gains, net. Other income, net and other gains, net for the infrastructure construction business increased to RMB1,341 million in 2025 from RMB1,054 million in 2024. The increase was mainly attributable to the increase in investment returns and one-time gains in the reporting period as compared to the corresponding period of last year.

Segment result. As a result of the above, segment result for the infrastructure construction business in 2025 was RMB24,682 million, representing a decrease of 25.1% from RMB32,942 million in 2024. Segment result margin decreased to 3.8% in 2025 from 4.8% in 2024. The decrease was mainly attributable to the decline in revenue and gross profit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

III. DISCUSSION OF SEGMENT OPERATIONS (CONTINUED)

Infrastructure Design Business

The financial information for the infrastructure design business presented in this section is before elimination of inter-segment transactions and unallocated costs. The following table sets out the principal profit and loss information for infrastructure design business for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (RMB million)	2024 (RMB million)
Revenue	36,511	36,287
Cost of sales	(29,789)	(29,043)
Gross profit	6,722	7,244
Selling and marketing expenses	(430)	(410)
Administrative expenses	(2,870)	(2,886)
Provision for impairment of contract assets and trade and other receivables	(1,289)	(744)
Other income, net and other gains, net	672	379
Segment result	2,805	3,583
Depreciation and amortisation	538	494

Revenue. Revenue from the infrastructure design business in 2025 was RMB 36,511 million, representing a slightly increase of 0.6% from RMB36,287 million in 2024.

Cost of sales and gross profit. Cost of sales for the infrastructure design business in 2025 was RMB29,789 million, representing an increase of 2.6% from RMB29,043 million in 2024. Cost of sales as a percentage of revenue increased to 81.6% in 2025 from 80.0% in 2024.

Gross profit from the infrastructure design business in 2025 was RMB6,722 million, representing a decrease of 7.2% as compared with RMB7,244 million in 2024. Gross profit margin decreased to 18.4% in 2025 from 20.0% in 2024, mainly attributable to the decline in the profitability of EPC projects.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business in 2025 amounted to RMB430 million as compared with RMB410 million in 2024.

Administrative expenses. Administrative expenses for the infrastructure design business in 2025 were RMB2,870 million, representing a slightly decrease 0.6% from RMB2,886 million in 2024. Administrative expenses as a percentage of revenue decreased to 7.9% in 2025 from 8.0% in 2024.

Provision for impairment of contract assets and trade and other receivables. Provision for impairment of contract assets and trade and other receivables for the infrastructure design business were RMB1,289 million in 2025, representing an increase 73.3% from RMB744 million in 2024, mainly due to the increase of receivables with a relatively long aging.

Other income, net and other gains, net. Other income, net and other gains, net for the infrastructure design business in 2025 was RMB672 million, as compared with RMB379 million in 2024, mainly due to the one-time gains from disposal of infrastructure investment projects in 2025.

Segment result. As a result of the above, segment result for the infrastructure design business in 2025 was RMB2,805 million, representing a decrease of 21.7% from RMB3,583 million in 2024. Segment result margin decreased to 7.7% in 2025 from 9.9% in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

III. DISCUSSION OF SEGMENT OPERATIONS (CONTINUED)

Dredging Business

The financial information for the dredging business presented in this section is before elimination of inter-segment transactions and unallocated costs. The following table sets out the principal profit and loss information for the dredging business for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (RMB million)	2024 (RMB million)
Revenue	54,191	59,461
Cost of sales	(47,969)	(51,604)
Gross profit	6,222	7,857
Selling and marketing expenses	(580)	(505)
Administrative expenses	(3,214)	(3,852)
Provision for impairment of contract assets and trade and other receivables	(336)	(515)
Other income, net and other gains, net	17	120
Segment result	2,109	3,105
Depreciation and amortisation	1,199	1,110

Revenue. Revenue from the dredging business in 2025 was RMB54,191 million, representing a decrease of 8.9% from RMB59,461 million in 2024. The decrease was mainly due to the decrease of domestic dredging business.

Cost of sales and gross profit. Cost of sales for the dredging business in 2025 was RMB47,969 million, representing a decrease of 7.0% as compared with RMB51,604 million in 2024. Cost of sales as a percentage of revenue for the dredging business in 2025 increased to 88.5% from 86.8% in 2024.

Gross profit from the dredging business in 2025 was RMB6,222 million, representing a decrease of 20.8% from RMB7,857 million in 2024. Gross profit margin for the dredging business decreased to 11.5% in 2025 from 13.2% in 2024. The decrease was mainly due to the decline in the profitability of projects.

Selling and marketing expenses. Selling and marketing expenses for the dredging business in 2025 were RMB580 million, as compared with RMB505 million in 2024.

Administrative expenses. Administrative expenses for the dredging business in 2025 were RMB3,214 million, representing a decrease of 16.6% from RMB3,852 million in 2024. Administrative expenses as a percentage of revenue decreased to 5.9% in 2025 from 6.5% in 2024.

Provision for impairment of contract assets and trade and other receivables. Provision for impairment of contract assets and trade and other receivables for the dredging business were RMB336 million in 2025, representing a decrease of 34.8% from RMB515 million in 2024, mainly due to the collection of recoveries on individual receivables with a relatively long aging.

Other income, net and other gains, net. Other income, net and other gains, net for the dredging business in 2025 decreased to RMB17 million from RMB120 million in 2024. The decrease was mainly attributed to less one-time gains from disposal of subsidiaries in the reporting period as compared to the last corresponding period, and less gains on foreign exchange.

Segment result. As a result of the above, segment result for the dredging business in 2025 was RMB2,109 million, representing a decrease of 32.1% from RMB3,105 million in 2024. Segment result margin decreased to 3.9% in 2025 from 5.2% in 2024. The decrease was mainly attributable to the decline in business scale and gross profit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

III. DISCUSSION OF SEGMENT OPERATIONS (CONTINUED)

Other Businesses

The financial information for the other businesses presented in this section is before elimination of inter-segment transactions and unallocated costs.

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (RMB million)	2024 (RMB million)
Revenue	24,289	26,064
Cost of sales	(21,263)	(23,072)
Gross profit	3,026	2,992

Revenue. Revenue from the other businesses in 2025 was RMB24,289 million, representing a decrease of 6.8% from RMB26,064 million in 2024.

Cost of sales and gross profit. Cost of sales for the other businesses in 2025 was RMB21,263 million, representing a decrease of 7.8% from RMB23,072 million in 2024. Cost of sales as a percentage of revenue decreased to 87.5% in 2025 from 88.5% in 2024.

Gross profit from the other businesses in 2025 was RMB3,026 million, representing an increase of 1.1% from RMB2,992 million in 2024. Gross profit margin increased to 12.5% in 2025 from 11.5% in 2024.

IV. LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 31 December 2025, the Group had unutilized credit facilities in the amount of RMB2,100,663 million. The Group's access to financial markets since its public offering in Hong Kong Stock Exchange and Shanghai Stock Exchange has provided additional financing flexibility.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Cash Flow Data

The following table presents selected cash flow data from the Group's consolidated cash flow statements for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (RMB million)	2024 (RMB million)
Net cash flows from operating activities	15,333	12,506
Net cash flows used in investing activities	(34,511)	(29,619)
Net cash flows generated from financing activities	24,074	41,640
Net increase in cash and cash equivalents	4,896	24,527
Cash and cash equivalents at beginning of year	134,974	110,407
Effect of foreign exchange rate changes, net	(40)	40
Subtotal	139,830	134,974
Cash and cash equivalents at end of year	139,830	134,974

Cash flow from operating activities

For the year 2025, net cash inflow generated from operating activities increased to RMB15,333 million, representing an increase of 22.6% from RMB12,506 million in 2024. The increase was primarily driven by the Company's proactive capture of policy windows, intensified collection efforts, and continued strengthening of asset revitalization initiatives.

Cash flow from investing activities

For the year 2025, net cash outflow used in investing activities increased to RMB34,511 million, representing an increase of 16.5% from RMB29,619 million in 2024. The increase was primarily attributable to the increase of capital expenditure of BOT projects.

Cash flow from financing activities

For the year 2025, net cash inflow generated from financing activities was RMB24,074 million, representing a decrease of 42.2% from RMB41,640 million in 2024. The decrease was mainly attributed to the repayment of large borrowings from the disposal of infrastructure investment projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Cash Flow Data (continued)

Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipment and vessels, and the building of plants. The following table sets forth the Group's capital expenditure by business for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (RMB million)	2024 (RMB million)
Infrastructure Construction Business	31,319	25,639
– BOT projects	18,790	12,472
Infrastructure Design Business	798	1,078
Dredging Business	2,343	2,569
Others	2,061	1,465
Total	36,521	30,751

Capital expenditure in 2025 was RMB36,521 million, as compared with RMB30,751 million in 2024.

Working Capital

Trade and bills receivables and trade and bills payables

The following table sets forth the turnover of the Group's average trade and bills receivable and average trade and bills payable for the years ended 31 December 2025 and 2024.

	Years ended 31 December	
	2025 (Number of days)	2024 (Number of days)
Turnover of average trade and bills receivables ⁽¹⁾	76	62
Turnover of average trade and bills payables ⁽²⁾	246	221

(1) Average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.

(2) Average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Working Capital (continued)

Trade and bills receivables and trade and bills payables (continued)

The following table sets forth an ageing analysis of trade and bills receivables, net of provision, as at 31 December 2025 and 2024.

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
Within 6 months	93,975	86,079
6 months to 1 year	16,865	15,025
1 year to 2 years	26,501	21,649
2 years to 3 years	12,971	7,772
Over 3 years	10,354	10,380
Total	160,666	140,905

Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 31 December 2025, the Group had a provision balance for impairment of RMB33,143 million, as compared with a balance of RMB28,538 million as at 31 December 2024.

The following table sets forth an ageing analysis of trade and bills payables as at 31 December 2025 and 2024.

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
Within 1 year	379,883	368,932
1 year to 2 years	41,790	38,354
2 years to 3 years	12,677	10,475
Over 3 years	10,765	8,018
Total	445,115	425,779

The Group's credit terms with its suppliers for the year ended 31 December 2025 remained the same as that for the year ended 31 December 2024. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

Retentions

The following table sets forth the carrying amount of the retentions as at 31 December 2025 and 2024.

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
Current	24,159	18,554
Non-current	63,003	53,998
Total	87,162	72,552

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Indebtedness

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 31 December 2025 and 2024.

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
Within 1 year	200,280	140,826
1 year to 2 years	87,531	78,723
2 years to 5 years	145,254	142,444
Over 5 years	254,417	224,330
Total borrowings	687,482	586,323

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Hong Kong dollar and Japanese Yen. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 31 December 2025 and 2024.

	As at 31 December	
	2025 (RMB million)	2024 (RMB million)
Renminbi	670,042	562,315
U.S. dollar	4,473	14,942
Euro	2,225	2,310
Hong Kong dollar	456	90
Japanese Yen	253	33
Others	10,033	6,633
Total borrowings	687,482	586,323

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 31 December 2025 was 53.9%, as compared with 49.1% as at 31 December 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Contingent Liabilities and Financial Guarantee Commitment

(i) Claims

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,743 million (31 December 2024: RMB4,347 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

(ii) Loan Guarantees

(a) As at 31 December 2025, the Group has acted as the guarantor for several borrowings of RMB2,518 million (31 December 2024: RMB3,522 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.

(b) The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 31 December 2025, the outstanding balance of guarantees provided by the Group was approximately RMB5,098 million (31 December 2024: RMB4,592 million).

(iii) Liquidity Support

The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 31 December 2025, out of the ABS and ABN in issue with an aggregate amount of RMB74,018 million (31 December 2024: RMB71,254 million), RMB54,287 million (31 December 2024: RMB59,784 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 31 December 2025, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

Market Risks

The Group is exposed to various types of market risks, including changes in interest rate risks and foreign currency risks in the normal course of business.

1. Macroeconomic volatility risk

The Group's main businesses are closely related to the development of macro-economy, especially for infrastructure design and infrastructure construction business, of which the industry development is subject to the effects of macroeconomic factors including investment scale of social fixed assets and the process of urbanisation. The current external environment is complex and severe, and China's economic development is under triple pressure of economic contraction, supply shock and weakening expectations. If the pace and efforts of growth stabilisation is not as strong as expected, it may have a great impact on the Group's development.

To cope with the risks of macroeconomic fluctuations, the Group will further strengthen its research on macro policies and development trends of related industries, follow closely the national strategic deployment, focus on "five wholes, four bigs and five types" business scope, firmly hold on to the market advantages of traditional businesses, promote the scale of emerging industries to grow year by year and strive to cultivate new growth levels.

2. Internationalisation risk

The Group conducts its business in over 130 overseas countries and regions. Subject to the complex and diverse political, economic, social and religious environments and legal systems of different countries and regions, as well as fluctuations in exchange rates, increasingly stringent environmental protection requirements and intensifying trade frictions among some countries, there may be fluctuations and volatility in the international trade order and economic situation in the future, resulting in performance risks for the Group's overseas compliance, investment and project contracting.

The Group carried out various risk management, prevention and control work continuously in accordance with the principles of "practical planning, internationalisation of resources, normalization of management, diversification of approaches, and visualisation of command, advance forecasting, advance warning, advance deployment and advance action". The Company fully leveraged on its overall overseas advantages, enhanced international resources and cross-regional coordination capabilities, continuously raised the protection of security interests and the ability to address overseas emergencies, properly dealt with overseas public security threats, and optimized the organization system, institutional system, team building system, planning system, training and drill system, protection system and information-based risk control measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Market Risks (continued)

3. Investment risk

The Group began to develop infrastructure and other investment projects in 2007 to obtain investment profits apart from those from reasonable design and construction. However, such projects are generally characterised by large scale investments, long construction cycles, extensive areas of involvement, high complexity, stringent schedule and quality requirements, and are significantly affected by policies. The implementation and operation of the above-mentioned investment projects may expose the Group to certain risks and affect the expected benefits and the achievement of strategic objectives if the feasibility studies of the projects are incomplete, understanding of policies is inaccurate, financing is inadequate and process management is not standardised, under the influence of internal and external circumstances such as increased control in policies by the national and local governments, increasingly standardised regulation, tightened financial supervision, increasing debt pressure and intensified market competition.

In order to effectively prevent and control investment risks, the Group insists on "value-oriented investments" and strictly controls non-main business investments. It strictly implements the investment project justification and decision-making process, properly controls investment costs, strengthens risk control throughout the life cycle of investment projects and steadily promotes the construction of an investment execution information system to achieve real-time and dynamic project monitoring and pre-warning.

4. Raw material risk

The operation of the Group's business depends on the timely procurement of raw materials that meet the Group's quality requirements at reasonable prices, such as steel, cement, fuel, sand and gravel and asphalt, etc. The market prices of such raw materials may fluctuate to a certain extent, or appropriate procurement planning arrangements may be made to ensure the normal conduct of business. When there is a shortage of supply of raw material or a significant price increase resulting in cost increases that cannot be fully counteracted by customers, the Group may face the risk of reduced profit or even loss in respect of a single project.

In this regard, the Group has enhanced cost awareness, strengthened refined management, vigorously promoted the centralised procurement of major raw materials including steel, cement, asphalt, fuel oil, etc., and has continuously improved the bargaining power of the Company to minimise the risk of rising raw material prices.

5. Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2025 and 2024, the Group's borrowings at variable rates were mainly denominated in RMB, USD, Euro and Hong Kong dollar.

Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Increase in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have an adverse effect on the Group's financial position. Management continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings, although the directors did not consider it was necessary to do so in 2025 and 2024.

As at 31 December 2025, the Group's borrowings of approximately RMB391,055 million (31 December 2024: RMB353,154 million) were at variable rates. As at 31 December 2025, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have decreased/increased by RMB3,911 million (31 December 2024: RMB3,532 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

MANAGEMENT'S DISCUSSION AND ANALYSIS

IV. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Market Risks (continued)

6. Exchange rate risk

The functional currency of the majority of the entities within the Group is RMB. Most of the Group's transactions are based and settled in RMB. Foreign currencies are used to settle the Group's revenue from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers, and certain expenses.

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC Government.

As at 31 December 2025, the Group's aggregate net assets of RMB 17,152 million, including trade and other receivables, cash and bank balances, trade and other payables and borrowings, were denominated in foreign currencies, mainly USD.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and a portion of those risks is hedged by using derivative financial instruments when management considers necessary.

As at 31 December 2025, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, pre-tax profit for the year would have been decreased/increased by approximately RMB 1,114 million (2024: RMB 155 million), mainly as a result of foreign exchange losses/gains on translation of USD-denominated trade and other receivables, cash and cash equivalents.

7. Production safety risk

The Group insists on safety first and regards production safety as the prerequisite and foundation of all its work. However, as a construction and production enterprise with many subsidiaries and projects, production safety risks exist in all aspects of the production and operation process. Safety incidents may occur as a result of unsafe human behaviour, unsafe physical conditions and unsafe environmental factors, resulting in injury to the health and safety of employees and exposing the Company to the risk of damage to its brand image, economic loss and external regulatory penalties.

8. Risk of price fluctuation in the securities markets

The Group's investments in equity instruments are classified as financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income. As these financial assets are required to be stated at fair value, the Group is exposed to the risk of price fluctuation in the securities markets.

To cope with such risk, the Group sets limits to diversify its investment portfolio.

9. Force Majeure Risks

The infrastructure construction and dredging business principally engaged by the Group are mostly outdoor work. Natural disasters and public health emergency including rainstorm, flooding, earthquake, typhoon, tsunami, fire and epidemic occurred on the construction sites may cause damages to the site workers as well as property, and adversely affect the quality and progress of relevant businesses of the Group.

10. Network risk and security

With the in-depth application of "Internet +" in informatisation, the topology of enterprise network has been becoming more and more complex, the number of information systems has surged, and the possibility of network interruption and system failure has also increased rapidly. At the same time, the Group has been actively exploring overseas markets, and its international influence has been increasing day by day. Therefore, the risk of network-attacks on the information system has been also increasing, which may have a serious impact on the Group's production and operation in the event of a risk event.

In order to effectively prevent network risks, the Group has continuously optimized and improved the network security system and professional team building, improved the information system, enhanced protection and emergency response capabilities, implemented network monitoring and carried out regular upgrades and protections in accordance with the requirements of the competent authorities.

The Phase II project of the CCCC Smart City in Fenghua, Ningbo, Zhejiang Province, has successfully passed its completion acceptance. The project covers a total land area of 62,000 square meters, with a total gross floor area of approximately 108,000 square meters. Upon completion, it is expected to effectively attract high-quality enterprises, boost the quality and efficiency of the regional economic industry, and advance the development of a modern, healthy, and beautiful new district within the coastal metropolis.



REPORT OF THE BOARD OF DIRECTORS

The Board is pleased to present its report together with the audited financial statements of the Group prepared in accordance with IFRS for the year ended 31 December 2025.

PRINCIPAL BUSINESS

We are a leading global mega-infrastructure integrated service provider and are principally engaged in infrastructure construction, infrastructure design and dredging businesses.

RESULTS

Results of the Group for the year ended 31 December 2025 and the consolidated financial position of the Group as at 31 December 2025 are set out in the audited consolidated financial statements in this report.

DIVIDEND POLICY

In accordance with the Company Law and other relevant laws and regulations, the Company has been implementing a continuous, sustainable and stable dividend distribution policy, and placing emphasis on the reasonable investment return to the investors while securing the sustainable development of the Company.

The Company actively promotes the way to distribute dividends with cash bonus. The profit distributed to the ordinary Shareholders in cash by the Company for each year shall not be less than 10% of the distributable profit available for the ordinary Shareholders realized in such year. The dividend distribution plan of the Company shall be drawn up and reviewed by the Board, taking comprehensive consideration of the factors including the industry characteristics, development stage, operation mode, profitability level and whether there is any significant payment arrangement for funds etc., make the differentiated cash bonus policy according to the program prescribed by the Articles of Association, and identify the proportion of the cash bonus in the profit distribution in the current year, with proportion in compliance with the relevant stipulations of laws, administrative regulations, normative documentation and stock exchanges.

DIVIDENDS

For the year of 2025, net distributable profit to owners of the Company was approximately RMB14,751 million which is determined based on the financial statements prepared in accordance with China Accounting Standards for Business Enterprises and International Financial Reporting Standards, whichever is lower. To balance the reasonable investment returns for the Shareholders and the long-term development of the Company, on 30 March 2026, the Board has proposed to distribute the annual dividend of RMB0.19488 per Share (totaling approximately RMB3,172 million (tax inclusive)) to the Shareholders, representing approximately 21.5% of the aforementioned net distributable profit attributable to the owners of the Company and an increase of 0.5 percentage point year-on-year. After deducting the interim dividend under the pre-dividend plan of approximately RMB1,914 million already distributed by the Company, the Board has proposed a final dividend of RMB0.07729 (tax inclusive) (equivalent to approximately HKD0.08745 including tax) per Share (totaling approximately RMB1,258 million) calculated based on the total issued share capital of the Company of 16,274,644,225 Shares as at 31 December 2025. The proposed final dividends are subject to Shareholders' approval at the annual general meeting to be held on 16 June 2026. The H Share register of members of the Company will be closed for the purpose of determining H Shareholders' entitlement to attend the annual general meeting of the Company from Thursday, 11 June 2026 to Tuesday, 16 June 2026 (both days inclusive). In order to attend the annual general meeting, H Shareholders shall complete the registration of H Share not later than 4:30 p.m. on Wednesday, 10 June 2026. The final dividends are expected to be paid to Shareholders whose names appear on the register of members of the Company on 20 July 2026. The register of members will be closed from 15 July 2026 to 20 July 2026 (both days inclusive), during which period no transfers will be registered. The number of Shares entitled to the final dividend has not taken into account the Restricted Shares announced by the Company to be repurchased but not yet cancelled, as well as Shares repurchased and held in the Company's dedicated repurchase account but not yet cancelled. The final number of Shares entitled to participate in the distribution will be adjusted by deducting the Restricted Shares repurchased by the Company but not yet cancelled, as well as Shares repurchased and held in the Company's dedicated repurchase account but not yet cancelled. The Company intends to maintain the total distribution amount unchanged. Once the benchmark for total share capital calculation is determined, the Company will make a further announcement in due course.

Dividends will be denominated and declared in Renminbi and will be paid to holders of H Shares in Hong Kong dollars. The relevant exchange rate is determined at RMB0.88384 equivalent to HK\$1.00 as the middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on the date when such dividends were declared.

REPORT OF THE BOARD OF DIRECTORS

DIVIDENDS (CONTINUED)

Under relevant regulations of China Securities Depository and Clearing Corporation Limited (“CSDC”) Shanghai Branch and in line with the market practice regarding dividend distribution for A shares, the Company will publish a separate announcement in respect of its final dividends distribution for A Shares after the Company’s AGM for 2025, which, among others, will set out the record date and ex-entitlement date of dividend distribution for A Shares. Pursuant to relevant laws and regulations including the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) and the Regulations for the Implementation of the Law of the People’s Republic of China on Individual Income Tax (《中華人民共和國個人所得稅法實施條例》), and the Notice of the State Administration of Taxation on the Collection and Management of Personal Income Tax After the Abolishment of Document Guo Shui Fa No. [1993]045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), as a withholding agent, the Company is required to withhold and pay the individual income tax at the tax rate of 10% in general on behalf of the individual H Shareholders. For individual H Shareholders who are citizens from countries under agreements to be entitled to tax rates lower than 10%, the Company can process applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to relevant regulations, and upon approval by the tax authorities, over withheld tax amounts will be refunded. For individual H Shareholders receiving dividends who are citizens from countries under agreements to be entitled to tax rates higher than 10% but lower than 20%, the Company will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and no application procedures will be necessary. For individual H Shareholders receiving dividends who are citizens from countries without taxation agreements with the PRC or are under other situations, the Company will withhold the individual income tax at a tax rate of 20% when distributing dividends.

In respect of the non-resident corporate shareholders, in accordance with the Law on Corporate Income Tax of the People’s Republic of China revised in 2018, the Implementing Rules of the Law on Corporate Income Tax of the People’s Republic of China revised in 2019 (collectively, the “Corporate Income Tax Law”) and other laws and regulations, starting from 1 January 2008, enterprises established in the PRC which distribute dividend to the non-resident corporate shareholders (namely, the legal person shareholders) for the accounting period from 1 January 2008 onwards shall withhold for payment of the corporate income tax, and the payer shall be the withholding agent. Therefore, the Company is required to withhold corporate income tax at the rate of 10% when distributing the 2025 final dividend to non-resident enterprise shareholders whose names appear on the H Share register of members of the Company on the record date. The Company will distribute 2025 final dividend following withholding corporate income tax at the rate of 10% to all H Shareholders (including HKSCC Nominees Limited, other business agents or trustees, or other groups or organizations, all deemed as the non-resident corporate Shareholders) who register in the name of a non-person Shareholder on the H Share register of members as of the record date.

Any resident enterprise (as defined under the Corporate Income Tax Law) whose name appears on the H Share register of members of the Company and which is set up in the PRC in accordance with the PRC law, or which is set up in accordance with the law of a foreign country (region) whose actual administration institution is in the PRC, in the event of being unwilling for the Company’s withholding corporate income tax at the rate of 10%, should lodge with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited the PRC organization code certificate issued by the relevant PRC government authority or the equivalent copy certified by the Hong Kong lawyer or accountant to certify the place of establishment or the relevant legal documents that it is a resident enterprise incorporated in the PRC (as defined under the Tax Law of the People’s Republic of China), on or before 4:30 p.m. on Tuesday, 14 July 2026.

The Company will withhold for payment of the income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and strictly based on what has been registered on the Company’s register of members for H Shares on Monday, 20 July 2026. Investors and potential investors in the H Shares of the Company are recommended to consult their professional tax advisors if they are in any doubt as to the implications of the above mechanism of withholding, and the Company does not accept responsibility for any effect the above mechanism of withholding may have on any person.

DISTRIBUTION OF FINAL DIVIDEND TO INVESTORS OF NORTHBOUND TRADING

For investors of the Hong Kong Stock Exchange, including enterprises and individuals, investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “Investors of Northbound Trading”), their final dividends will be distributed in RMB by the Company through CSDC Shanghai Branch to the account of the nominees holding such shares. The Company will withhold and pay income taxes of 10% on behalf of those investors and will report to the tax authorities. For Investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities of the Company for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date, the ex-entitlement date and the date of distribution of final dividend and other arrangements for the Investors of Northbound Trading will be the same with those for the A Shareholders of the Company.

REPORT OF THE BOARD OF DIRECTORS

DISTRIBUTION OF FINAL DIVIDEND TO INVESTORS OF SOUTHBOUND TRADING

(1) Distribution of Final Dividend to Investors of Southbound Trading on Shanghai Stock Exchange

For investors of the Shanghai Stock Exchange, including enterprises and individuals, investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “Investors of Southbound Trading on Shanghai Stock Exchange”), the Company has entered into “the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (《港股通H股股票現金紅利派發協議》) with CSDC Shanghai Branch, pursuant to which, CSDC Shanghai Branch, as the nominee holders of H Shares for the Investors of Southbound Trading on Shanghai Stock Exchange, will receive the final dividends distributed by the Company and distribute the final dividends to the relevant Investors of Southbound Trading on Shanghai Stock Exchange through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading on Shanghai Stock Exchange will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

(2) Distribution of Final Dividend to Investors of Southbound Trading on Shenzhen Stock Exchange

For investors of the Shenzhen Stock Exchange, including enterprises and individuals, investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “Investors of Southbound Trading on Shenzhen Stock Exchange”), the Company has entered into “the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (《港股通H股股票現金紅利派發協議》) with CSDC Shenzhen Branch, pursuant to which, CSDC Shenzhen Branch, as the nominee holders of H Shares for the Investors of Southbound Trading on Shenzhen Stock Exchange, will receive the final dividends distributed by the Company and distribute the final dividends to the relevant Investors of Southbound Trading on Shenzhen Stock Exchange through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading on Shenzhen Stock Exchange will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2016] No. 127), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date, the ex-entitlement date and the date of distribution of final dividend and other arrangements for the Investors of Southbound Trading on Shanghai Stock Exchange and Investors of Southbound Trading on Shenzhen Stock Exchange will be the same with those for the H Shareholders.

REPORT OF THE BOARD OF DIRECTORS

UTILISATION OF PROCEEDS FROM THE ISSUANCE OF CORPORATE BONDS BY THE COMPANY

On 15 May 2025, the Company publicly issued technological innovation renewal corporate bonds (bond short name: 25 CCCC YK01, 25 CCCC YK02) of RMB2.0 billion to professional institutional investors. All of the proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used to repay corporate bonds and other debts when due. The proceeds from the bond issuance above were fully used as scheduled.

On 12 June 2025, the Company publicly issued technological innovation renewal corporate bonds (bond short name: 25 CCCC YK03, 25 CCCC YK04) of RMB3.0 billion to professional institutional investors. All of the proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used to repay corporate bonds and other debts when due. The proceeds from the bond issuance above were fully used as scheduled.

On 8 July 2025, the Company publicly issued technological innovation renewal corporate bonds (bond short name: 25 CCCC YK05, 25 CCCC YK06) of RMB3.0 billion to professional institutional investors. All of the proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used to repay corporate bonds and other debts when due. The proceeds from the bond issuance above were fully used as scheduled.

On 17 July 2025, the Company publicly issued technological innovation renewal corporate bonds (bond short name: 25 CCCC YK07, 25 CCCC YK08) of RMB3.0 billion to professional institutional investors. All of the proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used to repay corporate bonds and other debts when due. The proceeds from the bond issuance above were fully used as scheduled.

On 4 August 2025, the Company publicly issued technological innovation renewal corporate bonds (bond short name: 25 CCCC YK10) of RMB2.0 billion to professional institutional investors. All of the proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used to repay corporate bonds and other debts when due. The proceeds from the bond issuance above were fully used as scheduled.

On 18 September 2025, the Company publicly issued technological innovation renewal corporate bonds (bond short name: 25 CCCC YK11, 25 CCCC YK12) of RMB2.5 billion to professional institutional investors. All of the proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used to repay corporate bonds and other debts when due. The proceeds from the bond issuance above were fully used as scheduled.

On 17 December 2025, the Company publicly issued the “Belt and Road” technological innovation corporate bonds (bond short name: 25 CCCC K1, 25 CCCC K2) of RMB1.0 billion to professional institutional investors. The proceeds from the bond issuance, after deducting issuance expenses, were proposed to be used for production expenses, including repayment of debts, supplement to the liquidity and project construction, with not less than 70% of the proceeds used for investment and construction of projects along the “Belt and Road” route. The balance of the proceeds from the bond issuance above as at the end of the Reporting Period amounted to RMB0.7 billion.

SHARE CAPITAL

Please refer to Note 34 of the audited consolidated financial statements for movements in share capital of the Company for the year ended 31 December 2025. As at 31 December 2025, the share capital structure of the Company was as follows:

No.	Item	Shareholding structure	
		Number of shares	Percentage
1	A Shares	11,856,168,225	72.85%
2	H Shares	4,418,476,000	27.15%
	Total	16,274,644,225	100.00%

PUBLIC FLOAT

As at the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Hong Kong Listing Rules and as agreed with the Hong Kong Stock Exchange.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The following table sets out certain information concerning the Directors and senior management of the Company as at the date of this annual report.

Name	Age	Position in the Company	Date of appointment	31 December 2025
				(before tax) <small>(Notes 15 and 16)</small> <small>(RMB'0000)</small>
SONG Hailiang ^(Note 1)	60	Executive Director and chairman of the Board	23 July 2025	25.40
ZHANG Bingnan ^(Note 2)	53	Executive Director and president	23 July 2025 and 30 June 2025	25.40
LIU Xiang ^(Note 3)	57	Executive Director	10 June 2021	99.81
GAO Chunlei ^(Note 4)	59	Non-executive Director	30 January 2026	–
CHAN Wing Tak Kevin ^(Note 5)	59	Independent non-executive Director	25 February 2022	16.80
WANG Qingqin ^(Note 5)	61	Independent non-executive Director	30 January 2026	–
LIU Ruchen ^(Note 5)	62	Independent non-executive Director	30 January 2026	–
WU Aihong ^(Note 4)	57	Non-executive Director	30 January 2026	–
YANG Xiangyang ^(Note 6) ^(Note 14)	54	Supervisor (representative of the employees)	11 January 2024	63.94
		Employee Director	30 January 2026	
LIU Zhengchang ^(Note 8)	57	Chief financial officer and Secretary of the Board	26 January 2024 26 July 2024	86.14
YANG Zhichao ^(Note 9)	44	Vice president	26 August 2021	120.60
WANG Tongzhou ^(Note 10)	60	Executive Director and chairman of the Board	22 October 2020	36.53
WANG Haihui ^(Note 11)	57	Executive Director and president	10 June 2021 and 7 April 2021	31.45
LIU Hui ^(Note 12)	65	Independent non-executive Director	25 February 2022	6.00
WU Guangqi ^(Note 13)	68	Independent non-executive Director	25 February 2022	6.00
ZHOU Xiaowen ^(Note 13)	64	Independent non-executive Director	25 February 2022	6.00
WANG Yongbin ^(Note 14)	60	Chairman of the Supervisory Committee (representative of the Shareholders)	22 November 2017 and 25 February 2022	66.02
LU Yaojun ^(Note 14)	55	Supervisor (representative of the Shareholders)	18 November 2021	64.48
WANG Jian ^(Note 17)	61	Vice president	22 November 2017	7.66
SUN Liqiang ^(Note 7)	56	Vice president	11 September 2023	89.63

Note 1: Mr. SONG Hailiang was elected as the executive Director and appointed as chairman of the Board on 23 July 2025 and re-elected as the executive Director and the chairman of the sixth session of the Board on 30 January 2026.

Note 2: Mr. ZHANG Bingnan was elected as the executive Director on 23 July 2025 and appointed as the president of the Company on 30 June 2025. He was re-elected as the executive Director and the president of the Company on 30 January 2026.

Note 3: Mr. LIU Xiang was re-elected as the executive Director on 30 January 2026.

Note 4: Mr. GAO Chunlei and Ms. Wu Aihong were elected as the non-executive Directors on 30 January 2026.

Note 5: Mr. CHAN Wing Tak Kevin was re-elected as the independent non-executive Director on 30 January 2026, Mr. WANG Qingqin and Mr. Liu Ruchen were elected as the independent non-executive Directors on 30 January 2026.

Note 6: Mr. YANG Xiangyang was elected as the employee Director at the employee representative meeting of the Company.

Note 7: Mr. SUN Liqiang resigned as the vice president on 21 January 2026.

Note 8: Mr. LIU Zhengchang was re-appointed as the chief financial officer and secretary of the Board on 30 January 2026.

Note 9: Mr. YANG Zhichao was re-appointed as the vice president on 30 January 2026.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY (CONTINUED)

Note 10: Mr. WANG Tongzhou ceased to be the executive Director and chairman of the Board on 23 July 2025.

Note 11: Mr. WANG Haihui ceased to be the executive Director and president on 23 July 2025.

Note 12: Mr. LIU Hui ceased to be the independent non-executive Director on 30 January 2026.

Note 13: Mr. ZHOU Xiaowen and Mr. WU Guangqi retired as the independent non-executive Directors on 30 January 2026.

Note 14: The Supervisory Committee has been canceled on 16 June 2025, and its duties and powers has been exercised by the Audit and Risk Committee of the Board.

Note 15: The disclosed information represents the compensation borne by the Company for its Directors, supervisors, and senior management during the reporting period. The final compensation for senior management in 2025 is pending verification and confirmation by the SASAC. Please refer to Note 9 of the audited financial statements for details of the emoluments (including basic salaries, housing allowances and other allowances, contributions to pension plans and discretionary bonuses) of the Directors and Supervisors in 2025. The emoluments payable to the Directors, Supervisors and senior management are determined with reference to responsibilities, years of service and performance of each individual, the results of the Group and prevailing market rate.

Note 16: Any discrepancies in the figures presented in this table are due to rounding.

Note 17: Mr. WANG Jian resigned as the vice president on 17 January 2025.

As at 31 December 2025, details of the emoluments (before taxes) of each senior management of the Company (excluding Directors who also hold executive positions) in 2025 are set out below^(Note 1):

Name	Basic salaries, housing allowances and other allowances	Contributions to pension plans	Discretionary bonuses	Total
	RMB'0000	RMB'0000	RMB'0000	RMB'0000
LIU Zhengchang	27.27	6.82	52.05	86.14
YANG Zhichao	39.09	6.82	74.69	120.60
WANG Jian ^(Note 2)	4.10	0.56	2.99	7.66
SUN Liqiang ^(Note 3)	39.09	6.82	43.73	89.63

Note 1: Any discrepancies in the figures presented in this table are due to rounding.

Note 2: Mr. WANG Jian resigned as the vice president on 17 January 2025.

Note 3: Mr. SUN Liqiang resigned as the vice president on 21 January 2026.

The biographical details of the Directors and senior management of the Company are set out in the "Profiles of Directors and Senior Management" in this report.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has confirmed its receipt of a confirmation from each of the independent non-executive Directors of the Company of its independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

BOARD COMMITTEES

Committees under the Board include Strategy and Investment and ESG Committee, Audit and Risk Committee, Remuneration and Appraisal Committee as well as Nomination Committee. The composition of each committee is set out in the "Corporate Governance Report" in this report.

REPORT OF THE BOARD OF DIRECTORS

MATERIAL INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the interests or short positions of Shareholders (other than Directors and chief executive of the Company) who have an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed by the Company as recorded in the register required to be maintained under Section 336 of the SFO are as follows:

Name of Shareholder ^(Note 1)	Number of shares held	Type of shares	Percentage of the respective type of shares ^(Note 2) (%)	Percentage of the total number of shares in issue ^(Note 3) (%)	Capacity in which the shares are held
CCCG	9,374,616,604 (Long position)	A Shares	79.07	57.60	Beneficial owner
	334,447,000 (Long position)	H Shares	7.57	2.06	Beneficial owner

Note 1: The table is prepared based on the disclosure of interest fillings of the substantial Shareholders published on the website of the Hong Kong Stock Exchange for the relevant events as at 31 December 2025.

Note 2: The percentage of respective type of shares is based on 11,856,168,225 A Shares and 4,418,476,000 H Shares of the Company as at 31 December 2025, respectively.

Note 3: The percentage of total number of shares in issue is based on 16,274,644,225 shares of the total issued share capital of the Company as at 31 December 2025.

As at 31 December 2025, there were 11,018 H Shareholders and 152,160 A Shareholders as shown on the register of members of the Company. Particulars of the top 10 Shareholders of the Company as at 31 December 2025 were as follows:

Name of Shareholder	Nature	Percentage (%)	Number	Number of shares subject to trading restriction	Number of shares pledged or frozen
China Communications Construction Group (Limited)	State	57.60	9,374,616,604		Nil
HKSCC Nominees Limited	Overseas legal entity	26.92	4,381,777,091		Unknown
China Securities Finance Corporation Limited	State-owned legal entity	2.97	483,846,064		Unknown
Central Huijin Asset Management Ltd.	State-owned legal entity	0.59	95,990,100		Unknown
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF	Unknown	0.36	58,979,354		Unknown
China Construction Bank Corporation – E Fund CSI 300 Trading Open-End Index Initiating Securities Investment Fund	Unknown	0.26	41,901,211		Unknown
Industrial and Commercial Bank of China Limited – Huaxia CSI 300 ETF	Unknown	0.20	31,976,964		Unknown
Designated Securities Account for Repurchase of China Communications Construction Company Limited	Unknown	0.18	29,345,900		Unknown
Bank of China Limited – Jiashi CSI 300 ETF	Unknown	0.17	27,572,423		Unknown
Bank of Communications Co., Ltd. – GF CSI Construction and Engineering ETF	Unknown	0.07	11,122,911		Unknown

Note: As of 31 December 2025, the number of Shares held by CCCG amounted to 9,709,063,604 (including 9,374,616,604 A Shares and 334,447,000 H Shares), representing approximately 59.66% of the total share capital of the Company.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares of equity derivatives or debentures of us or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to the Company notified to us and the Hong Kong Stock Exchange pursuant to the Model Code contained in Appendix 3 to the Hong Kong Listing Rules.

As at 31 December 2025, the Company had not granted its Directors or chief executive or their respective spouses or children below the age of 18 any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them has ever exercised any such right to subscribe for shares or debentures.

2022 RESTRICTED SHARE INCENTIVE SCHEME

On 27 April 2023, the Company adopted the 2022 Incentive Scheme at the 2023 second extraordinary general meeting, the 2023 first H Share class meeting and the 2023 first A Share class meeting (collectively, the "Meetings").

(I) Summary of the Incentive Scheme

The Incentive Scheme is a share scheme involving the issuance of new shares by the Company under Chapter 17 of the Hong Kong Listing Rules. The principal terms of the Incentive Scheme are summarized as follows.

(1) Purposes of the Incentive Scheme

The purpose of the Incentive Scheme is to further promote the establishment and improvement of the long-term incentive mechanism of the Company, attract and retain talents, fully mobilize the enthusiasm of the Directors, senior management, middle management and core personnel of the Company, and effectively align the interests of the Shareholders, the Company with the individual interests of the operators to focus on and work collectively for the long-term development of the Company.

(2) Participants

The participants are the incumbent directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries) at the time of the implementation of the Incentive Scheme (the "Participants").

(3) Total number of shares available for issue

The incentive instruments adopted in the Incentive Scheme are the restricted shares. The source of the restricted shares is the ordinary A Shares to be issued to the Participants by the Company. A total number of up to 117 million Restricted Shares (including the first grant and the reserved grant) are proposed to be granted under the Incentive Scheme, representing approximately 0.72% of the total issued ordinary Shares (i.e. 16,274,644,225 ordinary Shares) as at the date of this report.

(4) Maximum entitlement of each Participant under the Incentive Scheme

The total number of Restricted Shares to be granted under all effective share incentive schemes to any one of the Participants under the Incentive Scheme shall not exceed 1% of the total issued ordinary A Shares. Save for the Incentive Scheme, the Company has not adopted any other share schemes as at the date of this report.

REPORT OF THE BOARD OF DIRECTORS

2022 RESTRICTED SHARE INCENTIVE SCHEME (CONTINUED)

(I) Summary of the Incentive Scheme (continued)

(5) Grant price and basis of determination

The grant price under the first grant shall be RMB5.33 per A Share, i.e. upon fulfilment of grant conditions, Participants are entitled to purchase the ordinary A Shares of the Company granted to the Participants by the Company at the price of RMB5.33 per A Share. According to the Article 23 of the Administrative Measures on Share Incentives of Listed Companies and the Article 26 of the Guidelines for the Implementation of Share Incentive Schemes by the State-Owned Listed Companies, the grant price under the first grant shall not be less than the nominal value of the shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices:

- (1) the average trading price of the A Shares on the last trading day prior to the date of announcement of the Incentive Scheme (i.e. RMB8.875 per Share);
- (2) any of the average trading prices of the A Shares for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of the Incentive Scheme (i.e. RMB8.837 per Share, RMB8.413 per Share and RMB8.449 per Share).

Upon consideration and passing of related resolution by the Board meeting on 26 January 2024, the grant price under the reserved grant was RMB5.06 per A Share. The grant price of the reserved Restricted Shares shall not be less than the nominal value of the Shares, and shall not be lower than 60% of the higher of the following prices:

- (1) the average trading price of the A Shares on the last trading day prior to the date of announcement of Board resolution on the grant of the reserved Restricted Shares (i.e. RMB8.42 per Share);
- (2) any of the average trading prices of the A Shares for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of Board resolution on the grant of the reserved Restricted Shares (i.e. RMB7.67 per Share, RMB7.73 per Share and RMB8.59 per Share).

The Participants shall pay the consideration for subscribing the Restricted Shares to the account designated by the Company and have it verified and confirmed by a certified public accountant, otherwise such Participant shall be deemed as having waived his/her rights to subscribe for the granted Restricted Shares. The Company shall not provide loans or financial assistance in any other forms, including guarantee for loans, to the Participants to obtain or unlock the relevant Restricted Shares under the Incentive Scheme.

(6) Term of the Incentive Scheme

The Term of the Incentive Scheme shall commence from the completion date of registration of the Restricted Shares under the first grant (i.e. 5 June 2023) and end on the date of all the Restricted Shares granted to the Participants having been unlocked or repurchased, the maximum period of which shall not exceed 72 months.

REPORT OF THE BOARD OF DIRECTORS

2022 RESTRICTED SHARE INCENTIVE SCHEME (CONTINUED)

(I) Summary of the Incentive Scheme (continued)

(7) Lock-up period of the Incentive Scheme

The Restricted Shares granted under the Incentive Scheme shall be unlocked in three batches, and the Lock-up Period of each batch is 24 months, 36 months and 48 months respectively from the completion date of registration of the corresponding grant. During the Lock-up Period, the Restricted Shares granted to the Participants under the Incentive Scheme shall be restricted for sale and shall not be transferred, used as security or for repayment of debts. The shares entitled by the Participants as a result of the capitalization issue, bonus issue and sub-division of shares, etc. in connection with the granted Restricted Shares that have not yet been unlocked are simultaneously locked in accordance with the Incentive Scheme. Upon unlocking, the Company will handle the unlocking matters for the Participants who meet the conditions, and the Restricted Shares held by the Participants who do not meet the unlocking conditions will be repurchased by the Company.

The unlocking schedule for the Restricted Shares of the Incentive Scheme under the first grant and the reserved grant are set out below:

Unlocking arrangements	Unlocking schedule	Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted
The first unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 36-month period from the date of completion of registration of such grant	34%
The second unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 48-month period from the date of completion of registration of such grant	33%
The third unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 60-month period from the date of completion of registration of such grant	33%

REPORT OF THE BOARD OF DIRECTORS

2022 RESTRICTED SHARE INCENTIVE SCHEME (CONTINUED)

(II) Details of the Restricted Shares Granted under the Incentive Scheme

According to the Incentive Scheme, the Company intended to issue a total number of up to 117 million ordinary A Shares to the Participants. Wherein: (i) a maximum of 99.40 million Restricted Shares will be issued to not more than 668 Participants under the first grant; and (ii) a maximum of 17.60 million Restricted Shares will be issued to Participants who shall be determined within 12 months from the date of the Meetings under the reserved grant.

As six Participants were no longer within the scope of the Participants under the first grant of the Incentive Scheme, the Board, pursuant to the authorization granted by the Meetings, adjusted the number of Participants under the first grant from 668 to 662 and the number of Restricted Shares under the first grant from 99.40 million to 98.55 million. Accordingly, the total number of Restricted Shares to be granted under the Incentive Scheme was adjusted from 117.00 million to 116.15 million and the number of Restricted Shares under the reserved grant remained unchanged. The Board determined to grant a total of 98.55 million Restricted Shares to 662 Participants on 4 May 2023 at a price of RMB5.33 per A Share (the "First Grant").

On 5 June 2023, the Company had completed the registration of the First Grant with Shanghai Branch of the China Securities Depository and Clearing Corporation Limited for an actual grant of 97.95 million Restricted Shares to 658 Participants under the First Grant, because four Participants voluntarily waived their subscription for a total of 0.6 million Restricted Shares due to personal reasons.

On 26 January 2024, the Board, pursuant to the authorization granted by the Meetings, determined to grant a total of 16.70 million Restricted Shares to 134 Participants at a price of RMB5.06 per A Share (the "Reserved Grant"), and the remaining 0.90 million Restricted Shares will not be granted. After completion of the Reserved Grant, the number of Shares available for future grant under the 2022 Incentive Scheme were nil.

On 21 February 2024, the Company had completed the registration of the Reserved Grant with Shanghai Branch of the China Securities Depository and Clearing Corporation Limited for an actual grant of 16.45 million Restricted Shares to 132 Participants under the Reserved Grant, because two Participants voluntarily waived their subscription for a total of 0.25 million Restricted Shares due to personal reasons.

The table below sets out particulars of changes in the Restricted Shares granted and registered under the Incentive Scheme during the reporting period:

Name of the participants	Category of the participants	Unlocking period	Granted and registered		Unlocked	Lapsed	As at	Grant Price	Closing price		Repurchase price	Cancelled during the reporting period
			As at 1 January 2025	during the reporting period	during the reporting period	during the reporting period	31 December 2025		prior to the grant date	prior to the unlocking date		
			(0'000 shares)	(0'000 shares)	(0'000 shares)	(0'000 shares)	(0'000 shares)	(RMB/Share)	(RMB/Share)	(RMB/Share)	(RMB/Share)	(0'000 shares)
YANG Zhichao	Vice President	06/06/2025–05/06/2028	35	Nil	11.9	11.55	11.55	5.33	11.41	8.95	/	Nil
Middle management personnel and core personnel (First Grant)		06/06/2025–05/06/2028	9,435	Nil	3,108.28	3,406.22	2,920.50	5.33	11.41	8.95	4.73578 and 4.96884	361.72
Middle management personnel and core personnel (Reserved Grant)		22/02/2026–21/02/2029	1,610	Nil	Nil	545.92	1,064.08	5.06	8.25	7.70	4.56954	35
Total			11,080	Nil	3,120.18	3,963.69	3,996.13	/	/	/	/	396.72

Notes:

- (1) The total number of the Company's shares granted under all effective share incentive schemes to any of the aforesaid Participants does not exceed 1% of the total share capital of the Company. The total number of underlying shares involved in all effective share incentive schemes of the Company does not exceed 10% of the total share capital of the Company.

REPORT OF THE BOARD OF DIRECTORS

2022 RESTRICTED SHARE INCENTIVE SCHEME (CONTINUED)

(II) Details of the Restricted Shares Granted under the Incentive Scheme (continued)

- (2) The Restricted Shares granted under the Incentive Scheme shall be unlocked in three batches, and the lock-up period of each batch is 24 months, 36 months and 48 months, respectively, from the completion date of registration of the corresponding grant. Before unlocking, the Restricted Shares granted to the Participants under the Incentive Scheme shall be restricted for sale and shall not be transferred, used as security or for repayment of debts. The shares entitled by the Participants as a result of the capitalisation issue, bonus issue and sub-division of shares, etc. in connection with the granted Restricted Shares that have not yet been unlocked are simultaneously locked in accordance with the Incentive Scheme.
- (3) For details of the performance targets, please refer to the section headed “II.(viii) 2. Unlocking conditions for the Incentive Scheme” as set out in the circular of the Company dated 4 April 2023.
- (4) On 13 June 2025, the Company resolved that the unlocking conditions for the first unlocking period set for the First Grant under the 2022 Incentive Scheme have been fulfilled, and therefore, a total of 626 Participants of the first grant under the 2022 Incentive Scheme were eligible for unlocking a total of 31,269,800 Restricted Shares, representing approximately 0.19% of the Company’s total share capital. As one Participant was not qualified as a participant under the 2022 Incentive Scheme due to personal reasons, therefore, the number of Restricted Shares unlocked under the first unlocking period set for the First Grant was 31,201,800 Shares which were listed and circulated on the Shanghai Stock Exchange on 18 July 2025. For details, please refer to the announcements of the Company dated 13 June 2025 and 15 July 2025, respectively.
- (5) On 13 June 2025, the Company resolved to repurchase a total of 4,117,200 Restricted Shares granted but not yet unlocked from 48 Participants (including 300,000 Restricted Shares granted to Mr. Zhou Changjiang) and cancel the same in accordance with the 2022 Incentive Scheme and relevant laws and regulations with a total of consideration at approximately RMB19.40 million plus the interests on fixed bank deposits in the same period payable to the Participants (subject to the actual payment). Among the Participants in the First Grant, the repurchase price of the Restricted Shares for the 11 Participants (including Mr. Zhou Changjiang) who were transferred from the Company and ceased to take office in the Company due to organizational arrangements and one Participant who retired upon reaching the retirement age stipulated by law is the sum of RMB4.73578 per share plus the interests on fixed bank deposits in the same period; the repurchase price of the Restricted Shares for the 9 Participants who voluntarily resigned or were involved in illegal behaviours during the term of their employment contracts, the 22 Participants who, individually or in terms of the respective subsidiaries, had a performance appraisal result of C grade for 2023 and the 3 Participants who had a performance appraisal result of D grade for 2023 is the lower of RMB4.73578 per share and the market price of shares of RMB8.85 per share at the time of repurchase, being RMB4.73578 per share. Among the Participants in the Reserved Grant, the repurchase price of the Restricted Shares for the two Participants who were transferred from the Company and ceased to take office in the Company due to organizational arrangements is the sum of RMB4.46578 per share plus the interests on fixed bank deposits in the same period. A total of 3,967,200 Restricted A Shares were repurchased and cancelled on 28 November 2025 and a total of 150,000 Restricted A Shares will be subsequently repurchased and cancelled pursuant to the 2022 Incentive Scheme. For details, please refer to the announcements of the Company dated 13 June 2025 and 25 November 2025, respectively.
- (6) On 25 November 2025, one of the 48 Participants has not yet completed the repurchase and cancellation procedures due to personal reasons, and at this time the actual repurchase and cancellation amount was 3,967,200 Restricted Shares held by the remaining 47 Participants.

During the reporting period, the Company did not grant any Restricted Shares or issue any new A Shares pursuant to the Incentive Scheme.

As at 1 January 2025 and at 31 December 2025, the total number of Restricted Shares available for grant under the Incentive Scheme is nil and nil.

For details of the Incentive Scheme, please refer to the announcements of the Company dated 15 December 2022, 27 April 2023, 4 May 2023, 7 June 2023, 26 January 2024, 23 February 2024, 24 April 2024, 13 June 2025, 15 July 2025, and 25 November 2025, and the circular of the Company dated 4 April 2023.

REPORT OF THE BOARD OF DIRECTORS

COMPETING BUSINESS

None of the Directors of the Company, directly or indirectly, has any interest in any business which constitutes or may constitute a competing business of the Company.

FINANCIAL, BUSINESS AND FAMILY RELATIONS OF DIRECTORS AND SENIOR MANAGEMENT

There are no relationships among the Directors and senior management of the Company, including financial, business, family or other material relationships.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of three years and may be re-elected upon expiry of the term.

None of the Directors has any existing or proposed service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

Apart from the service contracts with the Company or its subsidiaries (if applicable), for the year ended 31 December 2025, none of the Directors of the Company was materially interested, whether directly or indirectly, in any transaction, arrangement or contract of significance to which the Company, its subsidiary or holding company or a subsidiary of the Company's holding company is a party.

ENVIRONMENTAL POLICIES AND PERFORMANCE

CCCC has been in strict compliance with the Environmental Protection Law of the People's Republic of China and local environmental protection laws and regulations. The Company continued to strengthen energy conservation and environmental protection management, improve the utilization efficiency of energy and resource, promote energy conservation and emission reduction, actively respond to climate change, boost low carbon development and advocate green office. It is determined to be a major participant, contributor and leader in green development.

CCCC actively implements the concept that "lucid waters and lush mountains are invaluable assets," and strives to be a leader in green and low-carbon transformation for the construction industry, a driving force for green and low-carbon development in key regions, an exemplary builder of green engineering projects, a pioneer in green and low-carbon technology innovation and a global contributor to ecological civilization. We are leveraging high-quality ecosystems to underpin high-quality development, striving to make significant new progress in advancing the Beautiful China Initiative. In 2025, the energy conservation and environmental protection work of the Company maintained stable in general without emergency environmental incidents above common level.

For details of the Group's environmental policies and performance, please refer to the "2025 Environmental, Social and Governance Report of China Communications Construction Company Limited" to be published on the websites of the Hong Kong Stock Exchange and the Company, and the "2025 Environmental, Social and Governance Report of CCCC" published on the websites of the Shanghai Stock Exchange and the Company.

REPORT OF THE BOARD OF DIRECTORS

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognizes the importance of compliance with regulatory requirements. During the year ended 31 December 2025, the Group had complied in all material respects with relevant PRC laws and regulations, and the Company and all of its direct subsidiaries had obtained all licenses, approvals and permits from appropriate regulatory authorities that are material for its business operations in the PRC. As a result of our international activities, we are subject to the laws and regulations of the various countries and regions in which we do business, in addition to the laws of the PRC. Meanwhile, as the Company is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, therefore we are also required to comply with the listing rules and applicable laws and regulations of listing places. As far as the Company is aware, the Group has also complied with overseas laws and regulations, as well as the listing rules and applicable laws and regulations of listing places during the year ended 31 December 2025. The Group has more sound internal control system in place, so as to monitor and ensure the legitimacy and compliance of our production, construction and operating activities.

KEY RELATIONSHIPS

The Group's success also depends on the support from employees, customers, suppliers and etc.

Employees

CCCC always insists on putting people first, attracts talents with an open, equal and inclusive attitude, respects and protects the legitimate rights and interests of employees. It builds a platform for employees to realize their dreams, shares the fruits of development with them and works together for a happy future. By adhering to the approach of putting people first, and in strict compliance with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other relevant legal requirements, CCCC has established various labour protection systems to fully protect the rights of its employees in terms of equal employment, reasonable remuneration, rest and leave as well as democratic communication. CCCC focuses on talents in the three important areas of a strong transportation country, rivers, lakes and seas as well as international operation so as to achieve the full utilization of human resources and talents. CCCC is actively building a harmonious enterprise, constructing a warm "staff home" and creating a comfortable working environment for employees. It cares for special groups such as employees in difficulty and retired employees, provides help at the first instance in times of crisis and carries out various forms of staff activities to balance the work and life of employees, striving to enhance employees' satisfaction and sense of belonging.

Customers

CCCC is committed to providing prime-quality services to its customers, establishing a sound customer service system, facilitating customer communication channels, tapping into customer needs thoroughly and enhancing customer satisfaction. Adhering to the customer-centric principle, the Group provides a comprehensive package of "CCCC solutions" to solve the pain points and difficult problems of its customers, and enhances the customer experience to win their trust. The Group respects the privacy of its customers and requires its staff to keep customer information strictly in accordance with the relevant provisions of the Market Operation Management Measures (《市場經營管理辦法》) and Measures on the Management of Liaison of Government Affairs and Large Customers (《政府事務與大客戶商務對接管理辦法》), and conducts relevant training to strengthen the legal concept of its staff and enhance their awareness of confidentiality, with a view to fully safeguarding the security, confidentiality and integrity of customer information and data. The Group has established a strong communication mechanism with its customers, which allows the Group to treat customer feedback seriously and handle related complaints in a timely manner, thereby continuously improving customer satisfaction and loyalty.

Suppliers

CCCC adheres to the principle of "optimising the total cost of supply chain". Centered on a six-in-one strategic framework for supply chains encompassing "innovation, collaboration, security, green development, digital intelligence, and efficiency", CCCC has established a Supply Chain Management Committee to centrally coordinate supply chain development. The Company has integrated supply chain social responsibility and security into its medium-and long-term specialized plans, progressively strengthening institutional and organizational foundations, enhancing digital enablement, and collaboratively improving supply chain resilience and efficiency. CCCC has established and improved risk and opportunity management processes for supply chain social responsibility. Through building an institutional system centered on the "Supply Chain Management Measures", supplemented by specialized rules on risk compliance and performance control, the Company has established a comprehensive lifecycle management mechanism for suppliers.

REPORT OF THE BOARD OF DIRECTORS

PERMITTED INDEMNITY PROVISION

As at 31 December 2025, all directors of the Company were covered under the liability insurance purchased by the Company for its directors.

PURCHASE, SALE AND REDEMPTION OF SHARES

Pursuant to the authorization from the 2023 second extraordinary general meeting, the 2023 first class meeting for A Shareholders and the 2023 first class meeting for H Shareholders held on 27 April 2023, on 13 June 2025, the Company resolved to repurchase a total of 4,117,200 Restricted A Shares granted but not yet unlocked at the adjusted grant price of RMB4.73578 per Share (fixed), or RMB4.73578 per Share (for a total of 3,767,200 Restricted A Shares granted under the first grant) or RMB4.46578 per Share (for a total of 350,000 Restricted A Shares granted under the reserved grant) plus the interests on fixed bank deposits in the same period of the repurchase from 48 Participants who have departed from and ceased to take office in the Company or failed to meet the unlock conditions under the 2022 Incentive Scheme and cancel the same in accordance with the 2022 Incentive Scheme and relevant laws and regulations with a total of consideration at approximately RMB19.40 million plus the interests on fixed bank deposits in the same period of the repurchase, which is subject to the final payment amount. A total of 3,967,200 Restricted A Shares were repurchased and cancelled on 28 November 2025 and a total of 150,000 Restricted A Shares will be subsequently repurchased and cancelled pursuant to the 2022 Incentive Scheme. For details, please refer to the announcements of the Company dated 13 June 2025 and 25 November 2025.

According to the Company's valuation enhancement plan and market value management strategy, in order to effectively safeguard the interests of the Shareholders, enhance investor confidence, and further stabilize and improve the value of the Company, as authorized by Shareholders at the annual general meeting of the Company held on 16 June 2025, the Board may repurchase ordinary A Shares through centralized bidding on the trading system of the SSE at average repurchase price not exceeding RMB11 per Share and not exceeding 150% of the average price of the A Shares in the 30 trading days prior the passing of the Board's resolution to repurchase Shares (i.e., RMB13.58) for a single repurchase with the Company's self-owned and self-financed funds of not less than RMB500 million (inclusive) but not exceeding RMB1 billion (inclusive), and all the A Shares to be repurchased will be cancelled (the "Repurchase Plan"). Calculated based on the lower limit of the total funds for the Repurchase of RMB500 million as well as the upper limit of the average repurchase price of RMB11 per Share, the number of A Shares to be repurchased shall be approximately 45.45 million A Shares, representing approximately 0.28% of the total share capital of the Company; calculated based on the upper limit of the total funds for the Repurchase of RMB1 billion as well as the upper limit of the average repurchase price of RMB11 per Share, the number of A Shares to be repurchased shall be approximately 90.91 million A Shares, representing approximately 0.56% of the total share capital of the Company. As at 31 December 2025, the Company has repurchased a total of 29,345,900 A Shares under the Repurchase Plan, which have not yet been cancelled and are proposed to be cancelled in due course. Details of the repurchase of A Shares are as follows:

Month of repurchase	Number of A Shares repurchased	Maximum price per Share (RMB)	Lowest price per Share (RMB)	Total amount (excluding transaction costs) (RMB)
September 2025	9,715,200	8.98	8.58	85,546,970.91
October 2025	5,856,000	8.95	8.68	51,593,081.00
November 2025	13,774,700	8.90	8.47	120,160,787.00
Total	29,345,900	/	/	257,300,839.91

As at the date of this report, the Company has cumulatively repurchased a total of 47,690,546 A Shares accounting for approximately 0.29% of the total number of Shares and approximately 0.40% of the total number of A Shares issued by the Company with the repurchase amount of RMB409,794,497.00 (excluding transaction costs). Such repurchased A Shares have not been yet canceled.

Save as disclosed above, during the period from 1 January 2025 to 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company (including treasury Shares). As at 31 December 2025, the Company did not hold any treasury Shares.

REPORT OF THE BOARD OF DIRECTORS

SUMMARY OF FINANCIAL INFORMATION FOR THE LAST FIVE YEARS

The tables below set out a summary of the operating results, assets and liabilities of the Group for each of the years in the five-year period ended 31 December 2025.

Consolidated Income Statement

	2025 <i>RMB million</i>	2024 <i>RMB million</i>	2023 <i>RMB million</i> (Restated)	2022 <i>RMB million</i>	2021 <i>RMB million</i>
Revenue	726,636	768,243	755,687	719,084	682,785
Gross profit	80,558	92,603	94,549	83,692	84,524
Profit before tax	27,598	37,163	37,552	33,088	29,787
Profit for the year	21,058	30,819	31,153	25,971	23,859
Attributable to:					
– Owners of the parent	14,995	23,854	24,739	20,226	18,349
– Non-controlling interests	6,063	6,965	6,414	5,745	5,510
Earnings per share for profit attributable to the equity holders of the parent (expressed in RMB)					
Basic					
– For profit for the year	0.86	1.40	1.45	1.15	1.04
– For profit from continuing operations	0.86	1.40	1.45	1.15	1.04
Diluted					
– For profit for the year	0.86	1.40	1.45	1.15	1.04
– For profit from continuing operations	0.86	1.40	1.45	1.15	1.04
Dividends	3,172	4,911	4,762	3,509	3,293

Consolidated Balance Sheet

	2025 <i>RMB million</i>	2024 <i>RMB million</i>	2023 <i>RMB million</i> (Restated)	2022 <i>RMB million</i>	2021 <i>RMB million</i>
Total assets	2,019,132	1,858,272	1,684,412	1,516,713	1,391,109
Total liabilities	1,551,245	1,390,457	1,225,212	1,089,221	999,714
Equity attributable to owners of the Company	310,926	313,425	301,767	282,500	260,391
Non-controlling interests	156,961	154,390	157,433	144,992	131,004

BANK LOANS AND OTHER BORROWINGS

Please refer to Note 30 of the audited consolidated financial statements for details of bank loans and other borrowings of the Group.

ISSUANCE OF SUBORDINATED PERPETUAL SECURITIES

The subordinated perpetual securities in the aggregate principal amount of USD1,000,000,000 with an initial distribution rate of 3.425% per annum (the “Series A Securities”) and the subordinated perpetual securities in the aggregate principal amount of USD500,000,000 with an initial distribution rate of 3.650% per annum (the “Series B Securities”, and together with the Series A Securities, the “Securities”) guaranteed by the Company have been issued by CCCI Treasure Limited, a subsidiary of the Company. Pursuant to the terms and conditions of the Series A Securities, unless redeemed, the distribution rate of the Series A Securities was first reset on 21 February 2025 and thereafter will be reset every five years. Pursuant to the terms and conditions of the Series B Securities, unless redeemed, the distribution rate of the Series B Securities will first be reset on 21 February 2027 and thereafter be reset every five years. The distribution of the Securities will be payable semi-annually in equal instalments in arrears on 21 February and 21 August of each year commencing on 21 August 2020. For more details, please refer to the announcements of the Company dated 11 February 2020, 14 February 2020 and 21 February 2020.

REPORT OF THE BOARD OF DIRECTORS

ISSUANCE OF DEBENTURES

In order to optimize the debt structure and reduce the financing costs, the Company issued the following debentures in 2025:

The first tranche of 2025 ultra-short-term financing bonds was issued on 2 January 2025 with the maturity date on 2 July 2025. The issuance scale is RMB3.0 billion and the interests rate is 1.60%.

The second tranche of 2025 ultra-short-term financing bonds was issued on 8 January 2025 with the maturity date on 8 July 2025. The issuance scale is RMB3.0 billion and the interests rate is 1.61%.

The third tranche of 2025 ultra-short-term financing bonds was issued on 23 October 2025 with the maturity date on 25 December 2025. The issuance scale is RMB3.0 billion and the interests rate is 1.43%.

The fourth tranche of 2025 ultra-short-term financing bonds was issued on 24 October 2025 with the maturity date on 26 December 2025. The issuance scale is RMB3.0 billion and the interests rate is 1.44%.

The first tranche of 2025 medium-term notes was issued on 26 September 2025 with the maturity date on 26 September 2028. The issuance scale is RMB3.0 billion and the interests rate is 1.96%.

The second tranche of 2025 medium-term notes was issued on 10 December 2025 with the maturity date on 10 December 2027. The issuance scale is RMB4.0 billion and the interests rate is 1.87%.

FIXED ASSETS

Please refer to Note 14 of the audited consolidated financial statements for movements in the property, plant and equipment of the Group for the year ended 31 December 2025.

CAPITALISED INTEREST

Please refer to Note 8 of the audited consolidated financial statements for details of the capitalised interest expense of the Group for the year ended 31 December 2025.

RESERVES

Please refer to Notes 37 and 50 of the audited consolidated financial statements for details of the movements in the reserves of the Company and the Group for the year ended 31 December 2025.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025 amounted to approximately RMB63,027 million.

DONATIONS

For the year ended 31 December 2025, the Group made charitable and other donations in a total amount of approximately RMB224 million.

SUBSIDIARIES

Please refer to Note 38 of the audited consolidated financial statements for details of the Company's principal subsidiaries as at 31 December 2025.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

Please refer to Notes 14, 16(a), 17, 18, 19, 20, 21 and 41 of the audited consolidated financial statements for details of significant investments and acquisitions incurred during the year ended 31 December 2025.

REPORT OF THE BOARD OF DIRECTORS

CHANGE IN EQUITY

Please refer to Notes 34, 36, 37 of the audited consolidated financial statements for details of changes in equity.

RETIREMENT BENEFITS

Please refer to Note 32 of the audited consolidated financial statements for details of retirement benefits.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in the Company's Articles of Association which require the Company to offer new shares to the existing Shareholders in proportion to their shareholdings.

MAJOR CUSTOMERS AND SUPPLIERS

The diversified business structure of the Company has provided an extensive base of suppliers and customers with low concentration. There is no reliance of the Company on a single supplier or customer. As at 31 December 2025, the sales of the Group to the five largest customers amounted to RMB30,228 million, representing 4.2% of the Group's revenue; the aggregate purchase from the five largest suppliers by the Group amounted to RMB15,277 million, representing 2.4% of the Group's aggregate purchase for the year.

PROPOSED ASSETS REORGANIZATION AND PROPOSED SPIN-OFF

On 11 May 2022, the Company entered into the agreement on assets swap and acquisition of assets by issuance of shares (the "Agreement", as further amended by the supplemental agreements entered into on 28 December 2022 and 28 February 2023, collectively the "Agreements") with China Urban & Rural Holding Group Limited ("China Urban-Rural") and Gansu Qilianshan Cement Group Co., Ltd. ("Qilianshan"). According to the Agreements, the parties agreed that: (i) the Company shall dispose of its 100% equity interest in three wholly-owned subsidiaries to Qilianshan, namely CCCC Highway Consultants Co., Ltd. ("CCCC Highway Institute"), CCCC First Highway Consultants Co., Ltd. ("CCCC First Highway Institute") and CCCC Second Highway Consultants Co., Ltd. ("CCCC Second Highway Institute") (collectively the "Three Highway Institutes"), at a consideration of approximately RMB7,200.30 million, RMB6,183.27 million and RMB6,779.85 million, respectively; (ii) China Urban-Rural shall dispose of its 100% equity interest in three wholly-owned subsidiaries to Qilianshan, namely China Southwest Municipal Engineering Design & Research Institute Co., Ltd. ("Southwest Institute"), China Northeast Municipal Engineering Design & Research Institute Co., Ltd. ("Northeast Institute") and CCCC Urban Energy Research and Design Institute Co. Ltd. ("Energy Institute") (collectively the "Three Municipal Institutes"), at a consideration of approximately RMB2,278.52 million, RMB941.06 million and RMB120.14 million, respectively; (iii) in consideration of the acquisition of the Three Highway Institutes and the Three Municipal Institutes, Qilianshan shall transfer its 100% equity interest in Qilianshan Cement to the Company and China Urban-Rural at a consideration of approximately RMB10,430.43 million, and issue a total of 1,285,418,199 new A shares to pay the shortfall against the value of the Three Highway Institutes and the Three Municipal Institutes at an issue price of RMB10.17 per consideration share. The Company and China Urban-Rural further agreed on the allocation of the equity interests of Qilianshan Cement and the Consideration Shares as follows: (i) Qilianshan Cement will be owned as to approximately 85% and 15% by the Company and China Urban-Rural, respectively; and (ii) the Company and China Urban-Rural will hold 1,110,869,947 Consideration Shares and 174,548,252 Consideration Shares respectively, representing approximately 53.88% and 8.47% equity interest in Qilianshan as enlarged by the issuance of the Consideration Shares (the "Proposed Assets Reorganization"). Upon completion of the Proposed Assets Reorganization, the financial results of the Three Highway Institutes, the Three Municipal Institutes and Qilianshan Cement will be consolidated into the consolidated financial statements of the Company.

China Urban-Rural is a wholly-owned subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.63% interests in the issued ordinary Shares of the Company as at the date of the Agreements. China Urban-Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As China Urban-Rural is a party to the Agreements, the Proposed Assets Reorganization constitutes a connected transaction of the Company. As the highest applicable percentage ratios of the acquisition and the disposal are both higher than 5% but less than 25%, the Proposed Assets Reorganization constitutes a discloseable transaction and a connected transaction of the Company and is subject to the reporting, announcement and the independent Shareholders' approval requirements under the Hong Kong Listing Rules.

The Proposed Assets Reorganization has been approved by the independent Shareholders at the extraordinary general meeting held by the Company on 10 March 2023. The Company has applied for and the Hong Kong Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off and granted a waiver from strict compliance with the requirements under Paragraph 3(f) of Practice Note 15 of the Hong Kong Listing Rules. The Proposed Assets Reorganization and the Proposed Spin-off have been completed on 30 November 2023.

REPORT OF THE BOARD OF DIRECTORS

PERFORMANCE COMMITMENT

On 28 December 2022, the Company entered into the performance commitment and compensation agreement with China Urban-Rural and Qilianshan (the "Compensation Agreement") in relation to the Proposed Assets Reorganization, pursuant to which, the Company and China Urban-Rural made commitments in respect of the performance of the assets of the Three Highway Institutes and the Three Municipal Institutes (the "Performance Commitment Assets") appraised in the income approach upon completion of the Proposed Assets Reorganization and, if such commitments are not fulfilled, shall compensate Qilianshan. In accordance with the Compensation Agreement, the performance commitment period will be 2023, 2024 and 2025.

According to the "Special Audit Report on the Fulfilment of Performance Commitments by CCCC Design" issued by Zhongshen Zhonghuan Certified Public Accountants, all the Performance Commitment Assets have completed the performance commitment for 2025, and there are no circumstances that require compensation. The details of their performance fulfilment are set out below:

Items	2025 (RMB'0000)					
	CCCC Highway Institute	CCCC First Highway Institute	CCCC Second Highway Institute	Southwest Institute	Northeast Institute	Energy Institute
Performance commitment amount	148,607.97	129,709.60	136,510.94	41,176.70	19,751.38	2,807.79
Fulfilled amount	150,321.27	131,771.13	138,613.94	42,345.32	20,172.43	4,399.22
Difference	1,713.30	2,061.53	2,103.00	1,168.62	421.05	1,591.43
Fulfillment rate (%)	101.15	101.59	101.54	102.84	102.13	156.68

Note: The performance commitment amount and the fulfilled amount are the net profit attributable to the owners of the parent company at the level of the consolidated statements of the target company after deducting the net profit of the subsidiaries for the period as assessed using the asset-based method and extraordinary profit or loss. Since the cumulative net profit realized by each Performance Commitment Asset in 2025 has reached the committed performance target, the Company and China Urban-Rural do not need to compensate for Qilianshan.

For details, please refer to the announcements of the Company dated 11 May 2022, 28 December 2022, 10 January 2023, 28 February 2023, 9 March 2023, 4 August 2023, 10 September 2023, 18 September 2023, 26 September 2023, 30 October 2023, 23 November 2023 and 30 November 2023 and the circular of the Company dated 21 February 2023.

CONNECTED TRANSACTION

The Company has entered into the following connected transaction in the year 2025.

- On 29 August 2025, China International Water & Electric Corp. ("CIWE"), CCCC Second Highway Engineering Co., Ltd.* (中交第二公路工程局有限公司, "CCCC Second Highway Engineering") and CCCC-Shec Seventh Highway Engineering Co., Ltd.* (中交二公局第七工程有限公司, "Seventh Highway Engineering") entered into a capital increase agreement. Accordingly, CIWE agreed to make a capital increase in Seventh Highway Engineering with RMB346.3443 million in cash (the "Capital Increase"). Upon completion of the Capital Increase, Seventh Highway Engineering will no longer be a subsidiary of the Company and its financial results will cease to be consolidated into the consolidated financial statements of the Company.

On 29 August 2025, CIWE was a subsidiary of CCCG, the controlling Shareholder which holds approximately 59.45% equity interests in the issued ordinary shares of the Company. CIWE was thus a connected person of the Company under the Hong Kong Listing Rules. As such, the Capital Increase contemplated thereunder constituted a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeded 0.1% but was less than 5%, the Capital Increase was subject to the announcement requirement but exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 29 August 2025.

REPORT OF THE BOARD OF DIRECTORS

CONNECTED TRANSACTIONS (CONTINUED)

The Company is listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Matters involving connected transactions will comply with the relevant provisions of the listing rules of both places and the requirements of the Administrative Measures of Related-Party (Connected) Transactions of the Company.

To promote the coordinated development of CCCG as a whole and based on market demands, the Company, as a major subsidiary of CCCG, also conducts business cooperation with other subsidiaries of CCCG in a coordinated and complementary way to achieve win-win results when necessary, which results in connected transactions. The Company has been in place strict internal control mechanisms before, during and after a connected transaction to safeguard the interests of minority shareholders. The connected transactions of the Company are generally divided into two types, namely continuing connected transactions (daily connected transactions) and one-off connected transactions, subject to the review and decision-making procedures.

In 2025, in response to the challenges encountered in managing connected transactions in the course of the Company's reform and development, the Company focused on the following tasks:

1. Implement annual plan management. To enhance the compliance management effectiveness of connected transactions and strengthen the execution and oversight of transaction plans, the Company scientifically formulates transaction plans. These plans are submitted to the Board and the general meeting for tiered review based on the nature and scale of the transactions. In accordance with the approved annual caps for various types of daily connected transactions, the Company develops comprehensive internal control management plans. These plans are monitored and adjusted as needed according to actual business requirements. Unified control over connected transaction data is implemented, and regular reports on the formulation, execution, and progress of the plans are submitted to the audit and risk committee of the Board and the Board. Simultaneously, oversight of plan execution is strengthened. Leveraging the daily connected transaction management system, real-time monitoring, dynamic tracking, and intelligent early warnings for transaction data are achieved. This ensures full-cycle closed-loop management, including monthly statistics, quarterly self-assessments, and annual summaries.
2. Conduct connected transaction management evaluations. The Company carried out specialized annual evaluations of connected transaction management across all subsidiaries. The core objectives were to further enhance the standardization of the Company's connected transaction management, strengthen the effectiveness of internal controls, and mitigate compliance risks. A comprehensive, multi-layered management evaluation system covering the entire process was established. In 2025, through self-inspections and self-assessments by each subsidiary, verification by third-party auditing firms, and review and summarization by relevant responsible departments at headquarters, management weaknesses were accurately identified, and targeted rectification requirements and improvement measures were clearly defined. Building on this, a list of subsidiaries with exemplary and effective connected transaction management practices was compiled to serve as benchmarks and models. Simultaneously, a dynamically updated list of subsidiaries with weaknesses in connected transaction management requiring focused guidance was maintained. Regular, targeted support and supervision were implemented to continuously enhance the quality and effectiveness of the Company's overall connected transaction management.
3. Upgrade the connected transaction system with digital intelligence. Leveraging digital and intelligent transformation as key drivers, and in strict compliance with the Company's securities regulatory requirements, the Company has continued to strengthen precise control over the entire connected transaction process. The Company launched a dedicated digital and intelligent upgrade and transformation of its connected transaction system, advancing connected transaction management toward greater accuracy, efficiency, and compliance. Relying on advanced digital and intelligent tools, the system breaks down data silos, enabling real-time synchronization and sharing of financial accounting data and operational business data with the connected transaction platform. It achieves automated identification and verification of connected parties, automated extraction and aggregation of transaction data, and automated determination and classification of transaction types and compliance attributes. This ensures accurate and compliant transaction categorization, effectively reduces manual operation risks and compliance exposures, and provides solid data support for compliance audits and risk early warning of connected transactions.
4. Conduct specialized training on valuation enhancement and securities compliance. Adopting a dual-track training model combining "live broadcasts and online recordings", the Company organized specialized training on valuation enhancement and securities compliance for over 2,000 personnel involved in connected transaction management and key positions across various departments and subsidiaries. Grounding the training in the current state of capital market development and the Company's actual operations, it focused precisely on four core areas: securities compliance control, standardized operation of connected transactions, pathways to valuation enhancement, and listed company governance requirements. Experts from securities regulatory bodies and authoritative industry research institutions were invited as instructors. This training not only effectively implemented various regulatory requirements and further elevated the standardization of the Company's governance and the effectiveness of internal controls, but also guided participants in firmly establishing a compliance-first mindset and clarifying the core directions for valuation enhancement. It has laid a solid capability foundation for continuously standardizing listed company governance and improving the quality of the listed company.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS

In respect of the continuing connected transactions of the Group, the Company has made proposals on the annual caps after taking into account the prevailing market price, the historical transaction amount, the Group's development needs and current capacity, and all the relevant proposals have been considered and approved by the Board or the Shareholders' meeting (if applicable) in accordance with the Hong Kong Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. The Audit and Risk Committee of the Board of the Company monitored and confirmed the progress of the continuing connected transactions, made proposal on the revision of the annual caps once needed based on the actual situation and transaction amount and submitted the proposal for consideration and approval. The actual transaction amount under the continuing connected transactions of the Company in 2025 was within reasonable and controllable range and were in line with the expectations of the Company.

The Company has effective and sufficient control mechanism in place to control the annual caps of continuing connected transactions and ensure such caps will not be exceeded. The control measures adopted by the Company are as follows:

- (i) Leveraging historical experience and operation plans, the Company scientifically enters into continuing connected transaction framework agreements for a term of three years on the basis of the assessment on necessity and fairness of potential connected transactions.
- (ii) These continuing connected transaction framework agreements are subject to necessary decision-making and approval procedures. The independent non-executive Directors, the Audit and Risk Committee under the Board, the Board and the Shareholders of the Company will review and consider the proposals for continuing connected transactions pursuant to their respective authorization. Implementation will be organized upon approval after review and consideration.
- (iii) The Company carries out supervision on the overall implementation of continuing connected transactions considered and approved and on a quarterly basis. The Company will allocate the annual caps of continuing connected transactions for the next year to the implementers of relevant transactions at the end of every year.
- (iv) The implementers shall bring forward the need for increasing the caps of connected transactions in time when it occurs during implementation based on changes in business development. The Company will start decision-making procedures for revising the annual caps of connected transactions in due course after assessing necessity and fairness of the connected transactions.
- (v) Whenever the actual transaction amount of each category of continuing connected transaction reaches 80% of the existing annual caps, the transaction implementers shall make a new prediction on whether the transaction amount of the outstanding period of the relevant year will satisfy operation needs and shall provide the Company with relevant transaction information so that the Company can realize better supervision and start decision-making procedures for revising annual caps in time after assessing necessity and fairness.
- (vi) By the end of every year, the Company will make a new prediction about the proposed annual caps of connected transactions for the next year based on the latest actual situation of connected transactions, and re-assess the plan for the connected transactions for the next year after evaluating the necessity and fairness: When the amount is consistent with the annual caps under three-year framework, the Company will execute the procedures outlined in (iii) and (iv) above; if it is anticipated that the annual caps under three-year framework will be exceeded, the Company will initiate the decision-making process to amend the annual caps of connected transactions.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

1. Mutual Project Contracting Framework Agreement Entered into between the Company and CCCG

On 15 October 2021, in order to renew the transactions under the original mutual project contracting framework agreement, the Company and CCCG entered into the mutual project contracting framework agreement for a term of three years from 1 January 2022 to 31 December 2024, pursuant to which the Group agreed to provide project contracting services to CCCG Group, which may include (i) provision of construction, design, consultation and management services for the construction projects that may be undertaken by CCCG Group; and (ii) design, construction, operation, management and dismantlement of temporary supporting facilities; and CCCG Group agreed to provide the labor and subcontracting services to the Group, which may include (i) provision of professional services for construction projects that may be undertaken by the Group; (ii) design, construction, operation, management and dismantlement of temporary supporting facilities; and (iii) provision of consultation, management and technical services.

For details of the aforesaid continuing connected transactions, please refer to the announcement dated 15 October 2021 and the circular dated 25 October 2021 of the Company.

On 12 April 2024, in order to renew the transactions described above, the Company and CCCG entered into a new mutual project contracting framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which the Group agreed to provide project contracting services to CCCG Group, which may include (i) provision of construction, design, consultation and management services for the construction projects that may be undertaken by CCCG Group; and (ii) design, construction, operation, management and dismantlement of temporary supporting facilities; and CCCG Group agreed to provide the labor and subcontracting services to the Group, which may include (i) provision of professional services for construction projects that may be undertaken by the Group; (ii) design, construction, operation, management and dismantlement of temporary supporting facilities; and (iii) provision of consultation, management and technical services.

On 12 April 2024, CCCG was the controlling Shareholder holding approximately 59.41% interests in the issued ordinary Shares, and was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the new mutual project contracting framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the project contracting services and the labor and subcontracting services contemplated under the new mutual project contracting framework agreement exceeded 5%, the project contracting services and the labor and subcontracting services and the proposed annual caps thereunder were subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Company convened the 2023 annual general meeting and obtained independent Shareholders' approval for the abovementioned agreement and the transactions contemplated thereunder on 17 June 2024.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 12 April 2024 and the circular of the Company dated 16 May 2024.

The annual caps for the continuing connected transactions described above as compared with the actual transaction amounts receivable and payable by the Group for the year ended 31 December 2025 are set out as follows:

	Annual Caps for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Project contracting services provided by the Group to CCCG Group	18,433	10,489
Labour and subcontracting services provided by CCCG Group to the Group	7,509	1,529

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

2. Financial Services Framework Agreement Entered into between CCCC Finance and CCCG

On 15 October 2021, in order to renew the transactions under the original financial services agreement, CCCC Finance and CCCG entered into the financial services agreement for a term of three years from 1 January 2022 to 31 December 2024, pursuant to which CCCC Finance agreed to provide deposit services, loan services, guarantee letter services, and other credit services to CCCG Group.

For details of the aforesaid continuing connected transactions, please refer to the announcement dated 15 October 2021 and the circular dated 25 October 2021 of the Company.

On 12 April 2024, in order to renew the transactions described above, CCCC Finance and CCCG entered into a new financial services framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which CCCC Finance agreed to provide deposit services, loan services, guarantee letter services, and other credit services to CCCG Group.

On 12 April 2024, CCCG was the controlling Shareholder holding approximately 59.41% interests in the issued ordinary Shares, and was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the new financial services framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The provision of deposit services by CCCC Finance to CCCG Group was to be made on normal commercial terms or more favorable terms which were in the Group's interests, and no assets of the Group were to be pledged as security for such deposit services in favor of CCCG Group. Therefore, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the provision of deposit services by CCCC Finance to CCCG Group was exempt from the announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Company expected that the highest applicable percentage ratio of the total service fees receivable by CCCC Finance from CCCG Group for the provision of other financial services would fall within the de minimis threshold as stipulated under Chapter 14A of the Hong Kong Listing Rules. Therefore, the provision of other financial services was fully exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the credit services under the new financial services framework agreement (namely, the loan services, guarantee letter services and the bills issuance services and bonds subscription, on an aggregate basis) exceeded 5%, the credit services and the annual caps thereof were subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratios of the proposed annual caps for the abovementioned credit services under the new financial services framework agreement were more than 5% but less than 25%, such transactions contemplated thereunder constituted discloseable transactions of the Company and therefore were subject to reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules. The Company convened the 2023 annual general meeting and obtained independent Shareholders' approval for the abovementioned agreement and the transactions contemplated thereunder on 17 June 2024.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 12 April 2024 and the circular of the Company dated 16 May 2024.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

2. Financial Services Framework Agreement Entered into between CCCC Finance and CCCG (continued)

The annual caps for the continuing connected transactions described above as compared with the actual maximum daily balance (including the interests accrued thereon) of credit services provided by CCCC Finance to CCCG Group and fees to be charged by CCCC Finance to CCCG Group for provision of other financial services for the year ended 31 December 2025 are set out as follows:

	Annual caps for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Maximum daily balance (including – Loan services	9,270	3,839
the interests and handling – Guarantee letter services	7,004	913
charges accrued thereon) of		
credit services provided by		
CCCC Finance to CCCG Group – Bills issuance services and bonds subscription	2,274	1,311

3. Finance Lease and Commercial Factoring Framework Agreement Entered into between CCCC Capital and CCCG

On 15 October 2021, in order to renew the transactions under the original finance lease framework agreement and to further regulate the commercial factoring services provided by CCCC Leasing to CCCG Group, CCCC Leasing and CCCG entered into the finance lease and commercial factoring framework agreement for a term of three years from 1 January 2022 to 31 December 2024, pursuant to which CCCC Leasing shall provide finance lease services to CCCG Group in respect of the leased assets through direct leasing or sale and leaseback arrangements and commercial factoring services in respect of receivables through factoring or reverse factoring arrangement.

On 28 October 2022, pursuant to the actual needs of production and operation, CCCC Leasing, CCCG and CCCC Capital entered into a supplemental agreement to the finance lease and commercial factoring framework agreement, to change the party to the Finance Lease and Commercial Factoring framework Agreement from CCCC Leasing to CCCC Capital.

For details of the aforesaid continuing connected transactions, please refer to the announcements dated 15 October 2021 and 28 October 2022 and the circular dated 25 October 2021 of the Company.

On 12 April 2024, in order to renew the transactions described above, CCCC Capital and CCCG entered into a new finance lease and commercial factoring framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which CCCC Leasing shall provide finance lease services to CCCG Group in respect of the leased assets through direct leasing or sale and leaseback arrangements and commercial factoring services in respect of receivables through factoring or reverse factoring arrangement.

On 12 April 2024, CCCG was the controlling Shareholder of the Company holding approximately 59.41% interests in the issued ordinary Shares, and was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the new finance lease and commercial factoring framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

3. Finance Lease and Commercial Factoring Framework Agreement Entered into between CCCC Capital and CCCG (continued)

As the highest applicable percentage ratios of the proposed annual caps under the new finance lease and commercial factoring framework agreement exceeded 0.1% but were less than 5%, the new finance lease and commercial factoring framework agreement and the transactions contemplated thereunder were subject to the announcement requirement, but were exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

Although the abovementioned agreement and the transactions contemplated thereunder were exempt from the independent Shareholder's approval requirement under the Hong Kong Listing Rules, such transactions shall be subject to the approval by the Shareholders at the general meeting of the Company pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. The Company convened the 2023 annual general meeting and obtained independent Shareholders' approval for the abovementioned agreement and the transactions contemplated thereunder on 17 June 2024.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 12 April 2024 and the circular of the Company dated 16 May 2024.

The annual caps for the continuing connected transactions described above as compared with the annual goals for internal control management and the actual aggregate amount for finance lease services and the commercial factoring services provided by CCCC Capital to CCCG Group for the year ended 31 December 2025 are set out as follows:

	Annual Cap for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Finance lease services provided by CCCC Capital to CCCG Group	1,988	947
Commercial factoring services provided by CCCC Capital to CCCG Group	4,640	110

4. Mutual Product Sales and Purchase Framework Agreement entered into between the Company and CCCG

On 9 September 2021, in order to renew the transactions under the original mutual product sales and purchase agreement, the Company and CCCG entered into the mutual product sales and purchase agreement for a term of three years from 1 January 2022 to 31 December 2024, the Group agreed to sell and CCCG Group agreed to purchase material products, including material and equipment, components, etc., and CCCG Group agreed to sell and the Group agreed to purchase engineering products, including engineering ships (e.g. leveling ship, crane ship, etc.), engineering machines (e.g. shield machines), steel structure products, etc.

For details of the aforesaid continuing connected transactions, please refer to the announcement dated 9 September 2021 and the circular dated 25 October 2021 of the Company.

On 12 April 2024, in order to renew the transactions described above, the Company and CCCG entered into a new mutual product sales and purchase framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which, the Group agreed to sell and CCCG Group agreed to purchase material products, including material and equipment, components, etc., and CCCG Group agreed to sell and the Group agreed to purchase engineering products, including engineering ships (e.g. leveling ship, crane ship, etc.), engineering machines (e.g. shield machines), steel structure products, etc.

On 12 April 2024, CCCG was the controlling Shareholder of the Company holding approximately 59.41% interests in the issued ordinary Shares, and was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the product sales and purchase framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

4. Mutual Product Sales and Purchase Framework Agreement entered into between the Company and CCCG (continued)

As the highest applicable percentage ratios of the proposed annual caps under the new product sales and purchase framework agreement exceeded 0.1% but were less than 5%, the new product sales and purchase framework agreement and the transactions contemplated thereunder were subject to the announcement requirement, but were exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

Although the abovementioned agreement and the transactions contemplated thereunder were exempt from the independent Shareholder's approval requirement under the Hong Kong Listing Rules, such transactions shall be subject to the approval by the Shareholders at the general meeting of the Company pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. The Company convened the 2023 annual general meeting and obtained independent Shareholders' approval for the abovementioned agreement and the transactions contemplated thereunder on 17 June 2024.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 12 April 2024 and the circular of the Company dated 16 May 2024.

The annual caps for the continuing connected transactions described above as compared with the annual goals for internal control management and the actual aggregate amount for the fees receivable by the Group from CCCG Group and payable by the Group to CCCG Group for the year ended 31 December 2025 are set out as follows:

	Annual Caps for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Sales of material products to CCCG Group by the Group	1,838	495
Purchase of engineering products from CCCG Group by the Group	4,178	1,597

5. Leasing and Asset Management Services Framework Agreement Entered into between the Company and CCCG

On 9 September 2021, in order to renew the transactions under the original leasing framework agreement, the Company and CCCG entered into the leasing framework agreement for a term of three years from 1 January 2022 to 31 December 2024, pursuant to which, CCCG Group agreed to lease the leased assets to the Group for the Group's production and operation use. The leased assets mainly include certain buildings, plants and auxiliary equipment and facilities for production and operation owned by CCCG.

For details of the aforesaid continuing connected transactions, please refer to the announcement dated 9 September 2021 and the circular dated 25 October 2021 of the Company.

On 12 April 2024, in order to renew the transactions described above and in the section headed "Asset Leasing Framework Agreement Entered into by the Company and CCCG" below, the Company and CCCG entered into a mutual leasing and asset management services framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which, each party agreed to lease the leased assets to the other party for its production and operation use. The leased assets mainly include certain buildings, plants and auxiliary equipment and facilities for production and operation owned by themselves.

On 12 April 2024, CCCG was the controlling Shareholder of the Company holding approximately 59.41% interests in the issued ordinary Shares, and was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the mutual leasing and asset management services framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

5. Leasing and Asset Management Services Framework Agreement Entered into between the Company and CCCG (continued)

As the highest applicable percentage ratios of the proposed annual caps under the mutual leasing and asset management services framework agreement exceeded 0.1% but were less than 5%, the mutual leasing and asset management services framework agreement and the transactions contemplated thereunder were subject to the announcement requirement, but were exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

Although the abovementioned agreement and the transactions contemplated thereunder were exempt from the independent Shareholder's approval requirement under the Hong Kong Listing Rules, such transactions shall be subject to the approval by the Shareholders at the general meeting of the Company pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. The Company convened the 2023 annual general meeting and obtained independent Shareholders' approval for the abovementioned agreement and the transactions contemplated thereunder on 17 June 2024.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 12 April 2024 and the circular of the Company dated 16 May 2024.

The annual caps for the continuing connected transactions described above as compared with the annual goal for internal control management and the actual aggregate amount for the leasing between CCCG Group and the Group for the year ended 31 December 2025 are set out as follows:

	Annual Caps for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Leasing of certain buildings, plants and auxiliary equipment, facilities, etc. for production and operation by CCCG Group to the Group	885	309
Leasing of certain buildings, plants and auxiliary equipment, facilities, etc. for production and operation by the Group to CCCG Group	50	39

6. Mutual Project Contracting Framework Agreement Entered into between the Company and Certain Connected Subsidiaries

On 31 December 2024, the Company and Certain Connected Subsidiaries entered into a mutual project contracting framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which the Group agreed to provide project contracting services to Certain Connected Subsidiaries, which may include (i) provision of construction, design, consultation and management and other services for real estate, sewage treatment and other projects that may be undertaken by Certain Connected Subsidiaries; and (ii) design, construction, operation, management and dismantlement of temporary supporting facilities; and Certain Connected Subsidiaries agreed to provide the labor and subcontracting services to the Group, which may include (i) provision of professional services for engineering construction projects that may be undertaken by the Group; (ii) design, construction, operation, management and dismantlement of temporary supporting facilities; and (iii) provision of consultation and management services.

Certain Connected Subsidiaries are subsidiaries of the Company. On 31 December 2024, CCCG (being the controlling Shareholder holding approximately 59.42% interests in the issued ordinary Shares) indirectly held more than 10% interest in each of certain subsidiaries through its subsidiaries. Therefore, Certain Connected Subsidiaries were connected subsidiaries of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the mutual project contracting framework agreement and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

6. Mutual Project Contracting Framework Agreement Entered into between the Company and Certain Connected Subsidiaries (continued)

As the highest applicable percentage ratios of the proposed annual caps under the mutual project contracting framework agreement exceeded 0.1% but were less than 5%, the mutual project contracting framework agreement and the transactions contemplated thereunder were subject to the announcement requirement, but were exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 31 December 2024.

On 30 October 2025, the Company and Certain Connected Subsidiaries entered into a supplemental agreement to the mutual project contracting framework agreement to revise the existing annual cap for the year ending 31 December 2025 thereunder. In addition, ZhongBo Green Energy Co., Ltd.* (中博綠色能源有限責任公司) is no longer a party to such agreements as it ceased to be a connected subsidiary of the Company.

On 30 October 2025, all Certain Connected Subsidiaries were subsidiaries of the Company, and CCCG (a controlling Shareholder holding approximately 59.53% interests in the issued ordinary Shares) indirectly held more than 10% interest in each of Certain Subsidiaries through its subsidiaries. Therefore, these subsidiaries were connected subsidiaries of the Company under Rule 14A.16 of the Hong Kong Listing Rules. As such, the transactions contemplated under the supplemental agreement to the mutual project contracting framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the revised annual caps for the transactions contemplated under the supplemental agreement to the mutual project contracting framework agreement exceeded 0.1% but less than 5%, such transactions contemplated thereunder were subject to reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 30 October 2025.

The annual caps for the continuing connected transactions described above as compared with the actual aggregate amount for the fees receivable by the Group from Certain Connected Subsidiaries and payable by the Group to Certain Connected Subsidiaries for the year ended 31 December 2025 are set out as follows:

	Annual Caps for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Construction services provided by the Group to Certain Connected Subsidiaries	708.64	62
Labour and subcontracting services provided by Certain Connected Subsidiaries to the Group	342.78	61

7. Mutual Product Sales and Purchase Framework Agreement Entered into between the Company and Certain Connected Subsidiaries

On 31 December 2024, the Company and Certain Connected Subsidiaries entered into a mutual product sales and purchase framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which the Group will purchase engineering products from Certain Connected Subsidiaries, including engineering ships (e.g. leveling ship, crane ship, etc.), engineering machines, steel structure products, cement and cement products, etc., and the Group will sell raw materials to Certain Connected Subsidiaries, including steel, equipment, components, etc.

Certain Connected Subsidiaries are subsidiaries of the Company. On 31 December 2024, CCCG (being the controlling Shareholder holding approximately 59.42% interests in the issued ordinary Shares) indirectly held more than 10% interest in each of certain subsidiaries through its subsidiaries. Therefore, Certain Connected Subsidiaries were connected subsidiaries of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the mutual product sales and purchase framework agreement and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

7. Mutual Product Sales and Purchase Framework Agreement Entered into between the Company and Certain Connected Subsidiaries (continued)

As the highest applicable percentage ratios of the proposed annual caps under the mutual product sales and purchase framework agreement exceeded 0.1% but were less than 5%, the mutual product sales and purchase framework agreement and the transactions contemplated thereunder were subject to the announcement requirement, but were exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 31 December 2024.

The annual caps for the continuing connected transactions described above as compared with the actual aggregate amount for the fees receivable by the Group from Certain Connected Subsidiaries and payable by the Group to Certain Connected Subsidiaries for the year ended 31 December 2025 are set out as follows:

	Annual Cap for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Sales of products to Certain Connected Subsidiaries by the Group	65.24	35
Purchase of engineering products from Certain Connected Subsidiaries by the Group	425.70	226

8. Leasing Framework Agreement Entered into between the Company and Certain Connected Subsidiaries

On 31 December 2024, the Company and certain connected subsidiaries entered into a leasing and asset management services framework agreement for a term of three years from 1 January 2025 to 31 December 2027, pursuant to which each party agreed to lease the leased assets to the other party for its production and operation use. The certain connected subsidiaries including CCCC Haifeng, CCCC E-commerce, CCCC Urban Investment Hairun (Yunyan) Urban Renewal Co., Ltd.* (中交城投海潤(雲岩)城市更新有限公司, "CCCC Hairun"), CCCC High-tech Industrial Development Co., Ltd.* (中交高科技產業發展有限公司, "Xi'an Sci-tech City"), Guizhou Airport Investment Development Co., Ltd.* (貴州航空港投資發展有限公司, "Guizhou Airport") and ZhongBo Green Energy Co., Ltd.* (中博綠色能源有限責任公司, "ZhongBo Energy") (together with their respective subsidiaries, collectively the "Certain Connected Subsidiaries"). The leased assets mainly include certain buildings, plants and auxiliary equipment and facilities for production and operation owned by themselves.

Certain Connected Subsidiaries are subsidiaries of the Company. On 31 December 2024, CCGG (being the controlling Shareholder holding approximately 59.42% interests in the issued ordinary Shares) indirectly held more than 10% interest in each of certain subsidiaries through its subsidiaries. Therefore, Certain Connected Subsidiaries were connected subsidiaries of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the leasing and asset management services framework agreement and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratios of the proposed annual caps under the leasing and asset management services framework agreement exceeded 0.1% but were less than 5%, the leasing and asset management services framework agreement and the transactions contemplated thereunder were subject to the announcement requirement, but were exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

8. Leasing Framework Agreement Entered into between the Company and Certain Connected Subsidiaries (continued)

For details of the aforesaid continuing connected transactions, please refer to the announcement of the Company dated 31 December 2024.

On 30 October 2025, the Company and Certain Connected Subsidiaries entered into a supplemental agreement to the leasing framework agreement to revise the existing annual cap for the year ending 31 December 2025 thereunder. In addition, ZhongBo Green Energy Co., Ltd.* (中博綠色能源有限責任公司) is no longer a party to such agreements as it ceased to be a connected subsidiary of the Company.

On 30 October 2025, all Certain Connected Subsidiaries were subsidiaries of the Company, and CCCG (a controlling Shareholder holding approximately 59.53% interests in the issued ordinary Shares) indirectly held more than 10% interest in each of Certain Subsidiaries through its subsidiaries. Therefore, these subsidiaries were connected subsidiaries of the Company under Rule 14A.16 of the Hong Kong Listing Rules. As such, the transactions contemplated under the supplemental agreement to the mutual project contracting framework agreement constituted continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the revised annual caps for the leasing of the Leased Assets by Certain Connected Subsidiaries to the Group contemplated thereunder exceeded 0.1% but was less than 5%, such transactions contemplated thereunder were subject to reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the revised annual cap for the leasing of the Leased Assets by the Group to Certain Connected Subsidiaries contemplated thereunder was less than 0.1%, such transactions contemplated thereunder were exempt from reporting, announcement, annual review and the independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 30 October 2025.

The annual caps for the continuing connected transactions described above as compared with the actual aggregate amount for the fees receivable by the Group from Certain Connected Subsidiaries and payable by the Group to Certain Connected Subsidiaries for the year ended 31 December 2025 are set out as follows:

	Annual Caps for 2025 (RMB million)	Actual amount for 2025 (RMB million)
Leasing of buildings, plants and auxiliary equipment, facilities, etc. for production and operation by the Group to Certain Connected Subsidiaries	51.05	20
Leasing of buildings, plants and auxiliary equipment, facilities, etc. for production and operation by Certain Connected Subsidiaries to the Group	422.23	376

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Explanation on the Continuing Connected Transactions of CCCC Finance

CCCC Finance is a non-bank financial institution established in July 2013 with the approval of the China Banking Regulatory Commission. CCCC Finance is jointly funded by CCGG and the Company (5% of CCGG, 95% of CCCC) with a registered capital of RMB7.0 billion.

As a specialized financial services company, CCCC Finance provides various professional financial services such as fund settlement, deposits, credit, entrusted loans, financial leasing, financial and financing consultants. The deposit and loan connected transactions between CCCC Finance and its connected persons are one of its main businesses. By absorbing the deposits of the members of CCGG and granting loans with reference to market pricing to improve the efficiency of capital use, which will have positive significance for the development of the Company and benefit the interests of the Company and all Shareholders.

1. Pricing Principle

The financial services provided by CCCC Finance to connected persons adopted a market-based fair pricing principle. When providing deposit service, the interest rate of deposit interest received by connected persons is not higher than the interest rate range set by the People's Bank of China for similar deposits during the same period, nor higher than the interest rate of similar deposit provided by CCCC Finance to other member of the Group during the same period. When providing loan services, the daily average amount of loan to connected persons is no more than 75% of the daily average deposit balance in CCCC Finance. The loan interest rate is implemented with reference to the quoted interest rate in the loan market, and is not lower than the interest rate applicable to the same period and similar loan services provided by major domestic commercial banks.

2. Risk Management and Review Process

CCCC Finance has established certain internal rules and policies related to the management and control of operational risks and credit risks in accordance with relevant PRC laws and regulations regarding financial services, with a relatively complete internal control system. CCCC Finance has established a standardized corporate governance structure to ensure effective internal control, including the implementation of the general manager responsibility system under the leadership of the board of directors, established an organizational structure based on decision-making, implementation and regulatory regime, and formulated different work procedures and risk control systems based on different duties. CCCC Finance monitored transactions in a timely manner through centralized management, safe and effective business system.

The decision-making process of CCCC Finance is a three-tier structure of the shareholders' meeting, the board of directors and the general manager's office. CCCC Finance has four professional committees, namely the Audit Committee, the Risk Management Committee, the Credit Review Committee and the Investment Decision Committee, which manage and control the business, risks, internal control and major investments of CCCC Finance.

As a banking financial institution, CCCC Finance manages its accounts in strict compliance with the Measures for Payment and Settlement and Measures for the Administration of RMB Bank Settlement Accounts issued by the People's Bank of China, and ensures the safety of the funds of the account holders in accordance with the laws. The accounts opened by the Group and connected persons with CCCC Finance are independent of each other, and there is no interchange of funds in the accounts.

CCCC Finance conducts credit review before conducting business, and performs credit rating and credit asset rating based on internal rating standards, and regularly arranges post-loan inspections (every six months). During the course of business, CCCC Finance also assigns dedicated personnel to follow up the utilization of loan. If the use of the loan is changed, CCCC Finance will recover the entire principal and interest, and impose an additional penalty of 100% interest.

The borrowing contract entered into between CCCC Finance and connected persons expressly provides that, if connected persons does not repay the principal and interest within the repayment period as stipulated in the contract, CCCC Finance is entitled to require connected persons to repay the principal and interest within a certain period of time, and charge a penalty interest on the overdue borrowings in accordance with the contract, generally at 50% of the benchmarking rate for the same period of borrowings.

CCGG unconditionally and irrevocably warrants to the Group that during the term of the Financial Services Agreement, CCGG will (i) guarantee the full performance of obligations and liabilities of connected persons under the Financial Services Agreement; and (ii) indemnify the Group against any loss suffered by the Group as a result of connected persons' failure to meet its obligations and liabilities under the Financial Services Agreement or the terms thereof.

In the future, CCCC Finance will adopt similar measures to safeguard the interests of the Group from losses when providing connected persons with other financial services within the scope of its operations. When a guarantee is issued to connected persons, relevant protection terms will be specified in the signed agreement. If CCCC Finance receives a statement of claim from the beneficiary, CCCC Finance is entitled to directly deduct the deposits agreed in the agreement and all the amounts in the account opened by connected persons with CCCC Finance for external payment (where the amounts is a time deposit, CCCC Finance is entitled to directly deduct the money regardless of whether the deposit has matured or not, and any loss arising from such deduction shall be borne by connected persons themselves). If the currency of the deducted deposits is different from the currency of the debt to be repaid, it should be converted into the same currency of the debt to be repaid at the exchange rate announced by CCCC Finance at the time of the deduction. In the event that the amounts of the deducted deposits is not sufficient for external payments claim, connected persons shall remit the corresponding amounts to the account opened by connected persons with CCCC Finance within three banking days from the date of receipt of the notice of payment from CCCC Finance at the latest for CCCC Finance to make external payments claim.

If connected persons does not make repayment within the repayment period, CCCC Finance is entitled to require connected persons to make such repayment within a certain period of time, and charge a penalty interest on the overdue borrowings in accordance with the contract, generally at 50% of the benchmarking rate for the same period of borrowings.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Explanation on the Continuing Connected Transactions of CCCC Finance (continued)

3. Risk Control Measures of CCCC over CCCC Finance

- (i) The Company will arrange senior management to be responsible for monitoring the implementation and transactions of the Financial Services Agreement;
- (ii) The senior management is required to report to the chairman, finance supervisor or chief financial officer and other senior management in a timely manner when any issue is identified. In the event that no issues are identified, such senior management are also required to report on a monthly basis to the chairman, finance supervisor or chief financial officer and other senior management regarding the implementation of the Financial Services Agreement; and
- (iii) The Company will engage a third-party auditor to conduct quarterly audits or reviews of the implementation of the Financial Services Agreement and the adequacy of the internal control system of CCCC Finance, and report the results of the audits or reviews to the independent non-executive Directors of the Company.

4. 2025 Deposit and Loan Business of CCCC Finance

In 2025, the balance of deposits from connected persons to CCCC Finance amounted to approximately RMB11,613 million, accounting for 14.51% of the total deposit of CCCC Finance, and paid interest of RMB161 million to connected persons. The maximum daily average balance in respect of provision of credit services to connected persons and corresponding interests amounted to RMB6,065 million.

Explanation on the Continuing Connected Transactions of CCCC Leasing

CCCC Leasing was established in China (Shanghai) Pilot Free Trade Zone in May 2014 with registered capital of RMB9.0 billion. The shareholding structure of CCCC Leasing as at 31 December 2025 was as follows: 90.2% in total held by CCCC and its subsidiaries (62.42% by CCCC Capital, 11.45% by Chuwa Bussan Company Limited, 8.69% by RB Industrial Park Investment & Development (Hong Kong) Limited and 7.64% by CCCC International Holding Limited), and 9.8% held by subsidiaries of CCGG (5.82% by ZPMC and 3.98% by China Airport Construction Group Company Limited). In 2017-2025, CCCC Leasing's corporate credit rating was AAA.

CCCC Leasing devotes itself to developing industry and finance, and provides comprehensive investment and financing services including finance leases, operating leases, and commercial factoring, expanding the financing channels for the principal business for CCCC. To expand business, CCCC Leasing offers finance leases to CCGG and its subsidiaries at the same time and gains the profit. The above businesses are in the interests of the Company and the Shareholders as a whole.

1. Pricing Principle

CCCC Leasing provides CCGG with finance leases and commercial factoring services. Finance leases include, without limitation, direct leases, after-sale leaseback and other forms. Fixed assets under the finance leases service mainly includes construction equipment, hotel equipment and device, and commercial properties and their equipment. Commercial factoring includes, without limitation, recourse factoring agreements and non-recourse factoring agreements and other forms. The finance leases between CCCC Leasing and connected persons (CCCG and its subsidiaries) adopted a market-based fair pricing principle. CCCC Leasing entered into the finance lease transactions with connected persons at the interest rate which increased certain percentage according to the loan rates of the bank in the corresponding period (specific percentage depends on the credit information of the lessee) and is negotiated by CCCC Leasing and the lease. CCCC Leasing provided CCGG with the pricing principle of commercial factoring service, the quoted price of which is offered by CCCC Leasing and determined by CCGG after negotiation with CCCC Leasing with reference to the quoted price for the factoring service of same type offered by the independent third parties and with consideration for relevant factors. Designated departments and personnel of CCGG are responsible for reviewing the quoted price of the factoring of same type by the independent third parties and market trading price.

2. Risk Control and Audit Procedures

CCCC Leasing formulated certain internal rules and policies for managing and controlling the operating risks with a comprehensive internal control system. CCCC Leasing has established standardized corporate governance structure to ensure the effectiveness of its internal control, including the implementation of the general manager responsibility system under the leadership of the board of directors, established an organizational structure based on decision-making, implementation and regulatory regime, and formulated different work procedures and risk control systems based on different duties. CCCC Leasing monitored transactions in a timely manner through centralized management, safe and effective business system.

REPORT OF THE BOARD OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Explanation on the Continuing Connected Transactions of CCCC Leasing (continued)

3. Finance Leases of CCCC Leasing in 2025

For the year 2025, CCCC Leasing entered into finance lease transactions with the connected persons with the total amount of RMB946 million, accounting for 7.11% of the total amount of the finance leases of CCCC Leasing for that year.

For the year 2025, CCCC Leasing entered into commercial factoring transactions with the connected persons with the total amount of RMB110 million, accounting for 7.98% of the total amount of the commercial factoring of CCCC Leasing for that year.

The independent non-executive Directors have reviewed the relevant agreements for the above non-exempt continuing connected transactions of the Group and the transactions contemplated thereunder and are of the opinion that such transactions are:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) conducted on the term of the relevant transaction agreements, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The auditors of the Company have performed certain procedures and issued a letter to the Board in accordance with Rule 14A.56 of the Hong Kong Listing Rules, stating that nothing has come to its attention that may cause it to believe that such transactions:

- (i) have not been approved by the Board;
- (ii) were not entered into, in all material respects, in accordance with the pricing policy of the Company if the transactions involved the provision of goods or services by the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing these transactions; and
- (iv) the actual annual amounts have exceeded the relevant caps as previously disclosed in the announcements of the Company.

Others

Except the aforesaid connected transactions, the Group did not enter into any other connected transactions or continuing connected transactions which should comply with the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

For related party transactions discussed in Note 45 of the audited consolidated financial statements which are also connected transactions under Chapter 14A of the Hong Kong Listing Rules, the Company had made disclosure when required under the Hong Kong Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

EMPLOYEES

As at 31 December 2025, the Group had 133,906 employees that had signed labor contracts with the Group. The breakdown of employees as at 31 December 2025 was as follows:

1. Categorized by Major

Major	Number of Employees	Percentage (%)
Production staff	14,238	10.63
Sales staff	9,679	7.23
Technician	86,263	64.42
Financial staff	9,414	7.03
Administrative staff	14,312	10.69
Total	133,906	100.0

2. Categorized by Degree Held

	Number of Employees	Percentage (%)
Postgraduate and above	18,758	14.01
Bachelor	96,902	72.37
Junior college degree	11,021	8.23
High school degree (associate degree) and other	7,225	5.39
Total	133,906	100.0

Note: The percentage figures mentioned above have been rounded to the nearest one decimal places.

In accordance with applicable regulations, the Group makes contributions to the employees' pension plan, medical insurance plan, unemployment insurance plan, maternity insurance plan and personal injury insurance plan. The amount of contributions is based on the specified percentages of employees' aggregate salaries as provided for by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group also provides voluntary benefits to current employees and retired employees. Current employees of the Group are also entitled to performance-based annual bonus. Please refer to Note 28 of the audited consolidated financial statement for details of the payroll and social security payable by the Company during the year ended 31 December 2025. Please refer to Note 9 of the audited consolidated financial statement for information about the emoluments of the Directors and chief executives. Please refer to Note 32 of the audited consolidated financial statements for details of the supplementary pension subsidies and medical benefits provided by the Company to its employees.

REPORT OF THE BOARD OF DIRECTORS

BUSINESS REVIEW

Please refer to the section of “Management’s Discussion and Analysis” in this report for the principal risks and uncertainties of the Group. Please refer to the section of “Business Overview” in this report for business review and business outlook of the Group.

MATERIAL LAWSUITS AND ARBITRATIONS

As at 31 December 2025, as far as the Directors are aware, except as disclosed in Note 40 of the audited consolidated financial statements, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

AUDITORS

The 2024 annual general meeting of the Company held on 16 June 2025 considered and approved the re-appointments of Ernst & Young as the Company’s international auditor and Ernst & Young Hua Ming LLP as the Company’s domestic auditor for a term starting from the date of passing the resolution at the 2024 annual general meeting and ending at the 2025 annual general meeting of the Company. Ernst & Young has audited the accompanying consolidated financial statements, which have been prepared in accordance with IFRS. The Company has retained the appointment of Ernst & Young and Ernst & Young Hua Ming LLP since the 2015 annual general meeting of the Company held on 16 June 2016.

On 30 March 2026, the Board resolved the appointment of KPMG and KPMG Huazhen LLP as the international auditor and the domestic auditor of the Company, respectively, as the service period of Ernst & Young and Ernst & Young Hua Ming LLP has reached the prescribed limit (the “Proposed Change of Auditor”). The Proposed Change of Auditor is subject to the approval of shareholders at the 2025 annual general meeting of the Company to be held on 16 June 2026. For details, please refer to the announcement of the Company dated 30 March 2026.

The Pinglu Canal is the first canal project in New China with the highest navigation grade that connects to both rivers and the sea. It is a landmark project for a country with strong transportation network and a key component of the new western land-sea corridor.



CORPORATE GOVERNANCE REPORT

OVERVIEW

As a both H share and A share company, the Company operates in strict compliance with the requirements of the applicable laws, administrative regulations and regulatory documents, including the Company Law, the Securities Law and relevant rules of the Hong Kong Stock Exchange in relation to corporate information disclosure, the management and services of investor relations. In addition, the Company amended the Articles of Association and the related internal governance rules in 2011, 2012, 2015, 2017, 2020, 2021, 2023 and 2025 according to the requirements of the laws and regulations of the Code of Corporate Governance for Listed Companies, Rules for Shareholders' General Meetings of Listed Companies, the Guidelines for the Articles of Association of Listed Companies and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. As a result, the Company has set up a corporate governance system that complies with the regulatory requirements for listed companies and has further enhanced its corporate governance standard. During the reporting period, the Company had effectively implemented the corporate governance rules, including the Articles of Association, the Rules of Procedures for General Meetings, the Rules of Procedures for Board Meetings, the Working Manual of Independent Directors, the Rules of Procedures for the Supervisory Committee Meetings and the Working Rules of the President. The general meetings, Board meetings and Supervisory Committee meetings are convened independently and efficiently with their respective duties and obligations fully fulfilled.

CORPORATE CULTURE

CCCC is a leading global comprehensive service provider of ultra-large infrastructure. Bearing in mind the country's most fundamental interests, CCCC has been forging ahead under the strategic guidance of quality development with the sentiment and strength of a national master. In recent years, CCCC has formed a scientific and comprehensive value system based on five dimensions: corporate mission, corporate vision, corporate spirit, corporate goal and value orientation.

CCCC Mission Consolidate the foundation, cultivate the way, and carry out the CCCC's mission

CCCC Vision Make the world more smooth, make the city more livable, make the life more colorful

CCCC Spirit Blend with the world and build without borders

The Company actively constructs the core value system of its corporate culture and continuously improves the top-level design of the corporate culture. It has issued a series of documents such as the corporate culture construction plan, and published a comprehensive system identification handbook and cartoon images for employee behavior norms. It has conducted special training on the historical and cultural development of the enterprise, promoted the integration of culture into the entire management process, advanced the approach of cultivating people through culture and educating people with culture, and focused on creating a favorable cultural atmosphere for the high-quality development of the Company, thereby leading all management and staff to perceive, practice and inherit the corporate culture and gathering tremendous strength for the accelerated construction of a world-class enterprise with "Three Orientations (三型)". The Company firmly believes that a sound corporate culture is an important driving force for corporate development and an important way to increase the cohesiveness and synergy of all parties concerned. CCCC will continuously improve the construction of its corporate culture system so as to bring in cultural momentum for quality corporate development.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in Part 2 of Appendix C1 (Corporate Governance Code) to the Hong Kong Listing Rules for the year ended 31 December 2025.

THE BOARD OF DIRECTORS

1. Composition of the Board of Directors

As at 31 December 2025, the Board consisted of seven Directors, including three executive Directors and four independent non-executive Directors. Members of the Board were as follows:

Chairman of the Board: Song Hailiang

Executive Directors: Song Hailiang, Zhang Bingnan and Liu Xiang

Independent non-executive Directors: Liu Hui, Chan Wing Tak Kevin, Wu Guangqi and Zhou Xiaowen

The Company has appointed a sufficient number of independent non-executive Directors in compliance with the Rule 3.10A of the Hong Kong Listing Rules which requires that independent non-executive directors shall represent at least one-third of the board of a listed company.

The Board has established four specialized committees, namely the Strategy and Investment and ESG Committee, the Nomination Committee, the Remuneration and Appraisal Committee as well as the Audit and Risk Committee¹, of which the Audit and Risk Committee and the Remuneration and the Appraisal Committee are all comprised of external Directors, while the Strategy and Investment and ESG Committee and the Nomination Committee comprise a majority of external Directors. The Board complies with the requirements of the modern enterprise system with Chinese characteristics and the Listing Rules, and has a mature and sound organization, which operates in a scientific and standardized manner and fully demonstrates its role. The Company has established a comprehensive and scientific mechanism to ensure that the Directors are fully informed of the relevant information of the Company and can express their views and opinions independently. The Company has compiled the “Work Plan for Guaranteeing the Performance of External Directors” and has established six working mechanisms, including the mechanism for obtaining information on the production and operation by the Directors, the mechanism for “Enquiries on Corporate Situation”, the mechanism for investigation and research, and the mechanism for the convener of Directors. The Company has established a Directors’ reporting meeting mechanism whereby the management of the Company makes special reports to the Directors at special reporting meetings on major and complex Board resolutions to assist the Directors in fully and comprehensively studying the feasibility and reasonableness of the relevant resolutions. In 2025, the Company convened seven external Directors’ reporting meetings, at which 27 topics were reported and communicated.

The Company has received the confirmation on independence from each of the independent non-executive Directors for the year 2025 and the Company considers each independent non-executive Director to be independent.

Pursuant to the Articles of Association, the term of office for Directors (including independent non-executive Directors) is three years, which is renewable upon re-election and re-appointment and each independent non-executive Director shall not serve that position for more than six consecutive years in order to ensure the independence.²

1 As the ninth amendments to the articles of association of the Company were considered and approved at the 2024 annual general meeting of the Company, the Audit and Internal Control Committee was renamed as the Audit and Risk Committee.

2 On 30 January 2026, the new session of the Board was elected or re-elected upon the approval of Shareholders at the extraordinary general meeting, among which, (i) Mr. Song Hailiang, Mr. Zhang Bingnan and Mr. Liu Xiang were re-elected as executive Directors; (ii) Mr. Gao Chunlei and Ms. Wu Aihong were elected as non-executive Directors; (iii) Mr. Chan Wing Tak Kevin was re-elected as an independent non-executive Director; and (iv) Mr. Wang Qingqin and Mr. Liu Ruchen were elected as independent non-executive Directors. Besides, on the same date, Mr. Yang Xiangyang was elected as the employee Director at the employee representative meeting of the Company, who, together with Mr. Song Hailiang, Mr. Zhang Bingnan, Mr. Liu Xiang, Mr. Gao Chunlei, Ms. Wu Aihong, Mr. Chan Wing Tak Kevin, Mr. Wang Qingqin and Mr. Liu Ruchen formed the sixth session of the Board.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS (CONTINUED)

2. Shareholders' General Meetings

In 2025, the Company held two shareholders' general meetings. The table below sets out the details of shareholders' general meeting attendance of each Director in 2025:

Director	Number of Meetings Attended
Song Hailiang	0/1
Zhang Bingnan	1/1
Liu Xiang	2/2
Chan Wing Tak Kevin	2/2
Wang Tongzhou ^(Note)	1/2
Wang Haihui ^(Note)	0/2
Liu Hui	2/2
Wu Guangqi	2/2
Zhou Xiaowen	2/2

Note: Mr. Wang Tongzhou and Mr. Wang Haihui ceased to be the executive Director of the Company on 30 June 2025, which took effect upon the approval of Shareholders at the extraordinary general meeting held on 23 July 2025.

3. Board Meetings

In 2025, the Company held 15 Board meetings to discuss the fundamental system, the internal control system, the establishment of subsidiaries and branches, fund raising and investment opportunities, the appointment of the senior management of the Company and matters concerning connected transactions. The table below sets out the details of Board meeting attendance of each Director in 2025:

Director	Number of Meetings to be Attended	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate
Song Hailiang ⁽¹⁾	6	6	0	100%
Zhang Bingnan ⁽¹⁾	6	6	0	100%
Liu Xiang	15	12	3	100%
Liu Hui	15	15	0	100%
Chan Wing Tak Kevin	15	15	0	100%
Wu Guangqi	15	15	0	100%
Zhou Xiaowen	15	15	0	100%
Wang Tongzhou ⁽²⁾	8	8	0	100%
Wang Haihui ⁽²⁾	8	7	1	100%

Notes:

(1) Mr. Song Hailiang and Mr. Zhang Bingnan were elected as executive Directors on 23 July 2025.

(2) Mr. Wang Tongzhou and Mr. Wang Haihui ceased to be the executive Directors on 30 June 2025, which took effect upon the approval of Shareholders at the extraordinary general meeting held on 23 July 2025.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS (CONTINUED)

4. Responsibilities and Operations of the Board

The principal responsibilities of the Board are, among other things, making decisions on business strategies, business plans, material investment plans, formulating annual financial budget, proposing profit distribution plan, appointing and dismissing the president of the Company and implementing Shareholders' resolutions. There are currently four committees established under the Board, being the Strategy and Investment and ESG Committee, the Audit and Risk Committee, the Remuneration and Appraisal Committee and the Nomination Committee. Each committee has its respective operation rules and reports to the Board regularly.

The division of power between the Board and senior management complies with the Articles of Association and relevant regulations. The chairman of the Board is responsible for ensuring that the Directors perform their duties properly and ensuring discussions on material matters are on a timely basis. Pursuant to the Articles of Association, the president is responsible to the Board and is delegated the authority to, among other things, oversee the operation and management of the Company, implement the decisions of the Board, carry out investment plans and establish an internal management system. While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, the Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors of the Company. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, financing and financial reporting, internal controls, communication with Shareholders and corporate governance. For the year ended 31 December 2025, Mr. Song Hailiang served as the Chairman of the Board and Mr. Zhang Bingnan served as the President of the Company.

The corporate governance functions (including preparation of accounts) of the Company are performed by the Board. In 2025, the Board reviewed the Company's policies and practices on corporate governance, reviewed and monitored the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements as well as the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

5. Code for Securities Transactions by Directors

The Company has adopted the Model Code. The Company has made specific inquiries with all of its Directors. Each of the Directors has confirmed his compliance with the requirements set out in the Model Code for the year ended 31 December 2025.

6. Directors' Training

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has provided a comprehensive induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Company's constitutional documents and A Guide on Directors' Duties issued by the Companies Registry of Hong Kong to each newly appointed Director to ensure that he/she is fully aware of his/her responsibilities and obligations under the Hong Kong Listing Rules and other regulatory requirements. For the year ended 31 December 2025, members of the Company's Board participated in a total of 15 person-times of director performance-related training organized by the SASAC and the Beijing Listed Companies Association.

The company secretary of the Company reports from time to time the latest changes and development of the Hong Kong Listing Rules, Corporate Governance Code and other regulatory regime to the Directors with written materials, as well as organizes seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities. During 2025, the company secretary of the Company undertook over 15 hours of professional training to update his skills and knowledge.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS (CONTINUED)

7. Committees under the Board

(a) Strategy and Investment and ESG Committee

The main duties of the Strategy and Investment and ESG Committee include, among other things, reviewing proposals and making recommendations to the Board regarding the Company's strategic development plans, annual budgets, capital allocation plans, significant mergers and acquisitions, significant financing plans and matters in relation to environment, society and governance.

As at 31 December 2025, the Strategy and Investment and ESG Committee consisted of five members, namely Mr. Song Hailiang, Mr. Zhang Bingnan, Mr. Liu Hui, Mr. Wu Guangqi and Mr. Zhou Xiaowen, and is chaired by Mr. Song Hailiang.

The Strategy and Investment and ESG Committee held nine meetings in 2025 to review and discuss, among other things, the business plan, the investment plan, the project investments, the ESG report. The table below sets out the details of the Strategy and Investment and ESG Committee meeting attendance of each Director in 2025:

Director	Number of Meetings to be Attended	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate
Song Hailiang ⁽¹⁾	2	2	0	100%
Zhang Bingnan ⁽¹⁾	2	2	0	100%
Liu Hui	9	9	0	100%
Wu Guangqi	9	9	0	100%
Zhou Xiaowen	9	9	0	100%
Wang Tongzhou ⁽²⁾	7	7	0	100%
Wang Haihui ⁽²⁾	7	6	1	100%

Notes:

- (1) Mr. Song Hailiang and Mr. Zhang Bingnan were elected as executive Directors on 23 July 2025, and they were elected as the chairman and a member of the Strategy and Investment and ESG Committee, respectively.
- (2) Mr. Wang Tongzhou and Mr. Wang Haihui ceased to be the executive Directors on 30 June 2025, which took effect upon the approval of Shareholders at the extraordinary general meeting held on 23 July 2025, and therefore they ceased to be the chairman and a member of the Strategy and Investment and ESG Committee, respectively.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS (CONTINUED)

7. Committees under the Board (continued)

(b) Audit and Risk Committee

The Audit and Risk Committee of the Company has reviewed the annual results of the Company. The main duties of the Audit and Risk Committee include, among other things,

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to monitor the integrity of financial statements of the Company and the Company's annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them; and
- to oversee the Company's financial reporting system and internal control procedures, including but not limited to, review of financial controls, internal control and risk management systems, consideration of action on any findings of major investigations of internal control matters as delegated by the Board or at its own initiative and management's response thereto, and review of the Company's financial and accounting policies and practices.

As at 31 December 2025, the Audit and Risk Committee consisted of four members, namely Mr. Chan Wing Tak Kevin, Mr. Liu Hui, Mr. Wu Guangqi and Mr. Zhou Xiaowen, and is chaired by Mr. Chan Wing Tak Kevin. All of the four members of the Audit and Risk Committee were independent non-executive Directors.

The Audit and Risk Committee held six meetings in 2025 to discuss, among other things, the audited annual financial statements of 2024, the internal control report of the Company of 2024, the internal audit summary of 2024 and the plan of 2025, the report of duty performance of the Audit and Risk Committee in 2024, the quarterly financial reports of 2025 and the interim financial report of 2025, the re-appointment of the international and domestic auditors for 2025 and their remuneration and matters concerning connected transactions. The table below sets out the details of Audit and Risk Committee meeting attendance of each Director in 2025:

Director	Number of Meetings to be Attended	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate
Chan Wing Tak Kevin	6	6	0	100%
Liu Hui	6	6	0	100%
Wu Guangqi	6	6	0	100%
Zhou Xiaowen	6	6	0	100%

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS (CONTINUED)

7. Committees under the Board (continued)

(c) Remuneration and Appraisal Committee

The main duties of the Remuneration and Appraisal Committee include, among other things:

- to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent process for developing policy on such remuneration;
- to have the delegated responsibility to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment) and make recommendations relating to the remuneration of independent non-executive Directors to the Board; and
- to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

As at 31 December 2025, the Remuneration and Appraisal Committee consisted of four members, namely Mr. Liu Hui, Mr. Chan Wing Tak Kevin, Mr. Wu Guangqi and Mr. Zhou Xiaowen and is chaired by Mr. Liu Hui. All of the four members of the Remuneration and Appraisal Committee were independent non-executive Directors.

The Remuneration and Appraisal Committee held two meetings in 2025 to review and discuss the proposals in relation to the repurchase and cancellation of certain Restricted Shares and the remuneration plans for the senior management of the Company for 2024. The table below sets out the details of Remuneration and Appraisal Committee meeting attendance of each Director in 2025:

Director	Number of Meetings to be Attended	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate
Liu Hui	2	2	0	100%
Chan Wing Tak Kevin	2	2	0	100%
Wu Guangqi	2	2	0	100%
Zhou Xiaowen	2	2	0	100%

(d) Nomination Committee

The main duties of the Nomination Committee include, among other things, to study the recruiting standard and procedure in respect of nomination of Directors and president of the Company and to review the credentials of Director or president candidates and make recommendations to the Board.

The Directors were nominated by criteria such as personal integrity, work experience relating to the Company's core business, performance track record, professional background, familiarity with corporate governance requirements for listed companies, etc.

As at 31 December 2025, the Nomination Committee consisted of five members, namely Mr. Song Hailiang, Mr. Liu Xiang, Mr. Chan Wing Tak Kevin, Mr. Wu Guangqi and Mr. Zhou Xiaowen, and is chaired by Mr. Song Hailiang. Three out of the five members of the Nomination Committee were independent non-executive Directors.

The Nomination Committee held one meeting in 2025 to discuss the appointment of the president and the nomination of candidates for directors of the Company.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS (CONTINUED)

7. Committees under the Board (continued)

(d) Nomination Committee (continued)

The table below sets out the details of Nomination Committee meeting attendance of each Director in 2025:

Director	Number of Meetings to be Attended	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate
Song Hailiang ⁽¹⁾	0	0	0	100%
Liu Xiang	1	1	0	100%
Chan Wing Tak Kevin	1	1	0	100%
Wu Guangqi	1	1	0	100%
Zhou Xiaowen	1	1	0	100%
Wang Tongzhou ⁽²⁾	1	0	0	0

Notes:

- (1) Mr. Song Hailiang was elected as an executive Director on 23 July 2025, and he was elected as the chairman of the Nomination Committee.
- (2) Mr. Wang Tongzhou ceased to be an executive Director on 30 June 2025, which took effect upon the approval of Shareholders at the extraordinary general meeting held on 23 July 2025, and therefore he ceased to be the chairman of the Nomination Committee.

For the year ended 31 December 2025, the Nomination Committee adopted a basic policy concerning diversity of Board members and is committed to enhancing the diversity of the Board and the Company's staff structure. The Nomination Committee may consider diversity of Board members from a number of aspects, including but not limited to gender, age, ethnicity, education, specialty, experience, skills, knowledge and length of service and so forth. When reviewing the size and composition of the Board and searching for and recommending candidates for Directors, the Nomination Committee should take relevant factors mentioned above into account to try to achieve the diversity of the Board members in accordance with the Company's development strategy, business needs and specific functions of job vacancy. Upon selection, the Nomination Committee shall make a final recommendation to the Board based on merit of the selected candidates and fits with the development of the Company.

During the reporting period, except for gender diversity, the Board has achieved the following measurable objectives: at least one independent non-executive Director shall usually reside in Hong Kong; at least one independent non-executive Director shall have work experience as the financial controller in large enterprises or shall be an expert in corporate finance and accounting; the number of independent non-executive Directors shall be not less than one-third of the Board members and the number of independent non-executive Directors shall exceed half of the Board members. Reference is made to the announcement of the Company dated 30 January 2026 in relation to the appointment of Ms. Wu Aihong as a non-executive Director. Accordingly, the Company has complied with the requirement under Rule 13.92 of the Hong Kong Listing Rules regarding gender diversity of board members. We acknowledge the particular importance of gender diversity and will strive to enhance the gender diversity of the Board. In selecting and recommending suitable candidates for the members of the Board in the future, the Company will seize the opportunity to increase the proportion of female members of the Board and enhance the level of gender diversity in accordance with shareholder expectations and recommended best practices.

As at 31 December 2025, the Company has a total of approximately 0.134 million employees in service, of which approximately 0.023 million employees are women, accounting for 16.8% of the total number of employees (including senior management) in service. The Company has always adhered to the principle of gender equality in employment, eliminated gender discrimination, and protected the employment rights of women.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

Ernst & Young and Ernst & Young Hua Ming LLP are appointed as the international and domestic auditors of the Company, respectively. Breakdown of the remuneration to Ernst & Young and Ernst & Young Hua Ming LLP for audit services and other non-audit services provided for the year ended 31 December 2025 are as follows:

	<i>RMB'0000</i>
Audit services	2,685
Other non-audit services	1,349

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the Company's internal control and risk management system and reviews its efficiency through the Audit and Risk Committee. The Board and the Audit and Risk Committee of the Company will receive the information about the internal control and risk management on a regular basis (at least once a year) from the management. The Company's internal control and risk management system is designed to manage risks and is unable to ensure the elimination of all risks. Such system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company builds a comprehensive risk management-oriented internal control system. It determines the key points of internal control by identifying and assessing risks; improves the efficiency of internal control by optimizing processes and perfecting systems; enhances the executive ability of internal control by strengthening supervision and check. The risk management system of the Company mainly assesses the risk identification, risk analysis, risk response, etc.; includes the risk evaluation in the approval process on major investment projects by optimizing the risk evaluation mechanism; continuously advances the annual risk management report system; identifies major important risks (e.g., safety production risk, financial risk, investment risk, operational risk, overseas risk, compliance risk, litigation risk) and formulates the response strategy and measures in terms of these risks by combining with internal control department; regularly tracks the implementation of response measures for major important risks so as to further improve the risk management level of the Company. The Company has established a risk management structure with distinct hierarchy and reasonable authorization. The Company's functional departments and their organizations shall perform identification and response for major risks on the basis of respective duties, and shall report to the Audit and Risk Committee of the Company annually. The management and the Audit and Risk Committee of the Company carry out the annual assessment and review of risk control of all functional departments. Matters to be assessed include changes in nature and severity of material risks subsequent to review in the previous year, the Company's abilities to respond to material risks and the assessment on material risk management and internal control errors or material risk management and internal defects identified during the period. Based on the assessment, the Audit and Risk Committee arranges the annual work plan, which covers the Company's strategies, market, operation, financial capital, law and major procedures of its affiliated entities, and urges relevant entities to rectify the problems identified in the audit process and reports the progress of rectification to the management and the Audit and Risk Committee of the Company on a regularly basis.

The Company establishes a supervision mechanism for internal control, and stipulates its duty and powder, job requirements and methods. The Board and the Audit and Risk Committee supervise the internal control system of the Company and the Audit and Risk Committee also exercises the functions and powers of the supervisory committee as stipulated in the Company Law; the supervisory departments carry out supervision on performance, discipline inspection and matters related tendering and bidding and bulk purchase of the Company; the audit departments audit and supervise the operation management, financial revenue and expenditure and economic results of the entities.

The Company's assessment process of internal control strictly implement basic specifications, assessment guideline and procedures stipulated in internal system. The internal control assessment group is set up, which made up of members from, among other things, strategy & development department, finance & fund department, audit department and other business departments, to carry out work by three steps including self-evaluation, defect rectification and sampling inspection by the Company. The affiliated entities implement the process of self-evaluation under unified deployment by the Company. The assessment collects the data and information related to the planning and operation of internal control of the Company by interview, sampling, walk through test and field inspection, on a business occurrence frequency basis, and fills out the working paper of the assessment honestly, which gives a true process of internal control of the Company.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

By strictly implementing the requirements of the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and other laws and regulations, CCCC improves the institutional mechanism to prevent the emergence and spread of corruption, promotes the "three non-corruptions", focuses on the construction of work style, and establishes a "four-in-one" corruption management system with a view to strengthening discipline and promoting a culture of integrity, thus jointly creating a clean atmosphere for corporate development. Through the establishment of whistleblowing channels (including anonymous reporting by phone, email or in writing), daily risk monitoring, internal audits and self-inspections, the Company is able to grasp clues of problems, investigate and deal with them in a timely manner. The Board is the highest governance organization of the Company, and the Company has been actively strengthening anti-corruption trainings for Directors and rigorously enforcing the relevant regulations on the integrity and self-discipline of responsible persons and Directors of state-owned enterprises. In 2025, all employees of the Company have attended the anti-corruption trainings, with each employee receiving at least three hours of anti-corruption trainings.

During the reporting period, the Board reviewed and evaluated the internal control and risk management system and listened to the reporting from the Audit and Risk Committee. The Board considered that the Company's internal control and risk management system was effective. The 2025 Internal Control Self-assessment Report of China Communications Construction Company Limited has been published on the Company's website.

INSIDE INFORMATION

The Company formulated the Inside Information Management System, which set out the detailed rules for the handling, disclosure and internal control of inside information. In 2025, the Company strictly implemented the abovementioned policies, further strengthened the identification and evaluation work for inside information and narrowed down the scope of insiders as far as possible. Besides, before the disclosure of an inside information in accordance with law, the Company conducted strict registration for and management over the insiders. In case of major events which require deferral or exemption of disclosure, the main department or person in charge of the specific work shall, in addition to filling in the insider registration form, prepare the memorandum on progress of material matters, including but not limited to the time of various key nodes in the course of planning and decision-making, list of personnel participating in planning and decision-making, and the means of planning and decision-making. The relevant personnel involved in planning and decision-making shall sign and confirm on the memorandum, so as to ensure the relevant insiders to fulfill their confidentiality obligation, and effectively prevent the leakage of the information.

The Company attaches great importance to internal control and its corporate social responsibility. The 2025 Environmental, Social and Governance Report of China Communications Construction has been published on the Company's website.

ACCOUNTABILITY OF THE DIRECTORS IN RELATION TO FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of the financial statements for each fiscal period. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently and made prudent and reasonable judgment and estimates so as to give a true and fair view of the state of affairs of the Company and of the results and cash flow for that fiscal year.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

The Company is committed to pursue active communications with Shareholders as well as to provide disclosure of information concerning the Group's material developments to Shareholders, investors and other stakeholders.

The annual general meeting of the Company serves as an effective forum for communication between Shareholders and the Board. Notice of the annual general meeting together with the meeting materials will be dispatched to all Shareholders not less than 20 clear business days (the date on which the Hong Kong Stock Exchange opens for securities trading) prior to the annual general meeting. The chairman of the Board and of the Strategy and Investment and ESG Committee, Audit and Risk Committee, Remuneration and Appraisal Committee and Nomination Committee, or in their absence, other members of the respective committees, will be invited to the annual general meeting to answer questions from Shareholders. External auditors will also be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and the independence of auditors.

Shareholders individually or jointly holding in aggregate more than 10% of the shares of the Company are entitled to request the convention of a shareholders' general meeting. Shareholders individually or jointly holding more than 3% of the shares of the Company shall have the right to submit proposals to the Company at a shareholders' general meeting. Shareholders individually or jointly holding more than 3% of the shares of the Company may bring forward provisional proposals and submit the same in writing to the convener ten days prior to a shareholders' general meeting.

Voting by Shareholders at a shareholders' general meeting will be conducted by poll in accordance with the Hong Kong Listing Rules, unless otherwise required and permitted. Detailed procedures for conducting a poll will be explained to the Shareholders at the inception of a shareholders' general meeting to ensure that Shareholders are familiar with such voting procedures. Separate resolution will be proposed by the chairman of a shareholders' general meeting for each material issue. Poll results will be posted on the websites of the Company and the Hong Kong Stock Exchange on the same business day of the shareholders' general meeting.

Pursuant to the Articles of Association, a special general meeting can be convened upon the written requisition by any two or more Shareholders holding in aggregate not less than 10% in the paid up capital of the Company, provided that at the date of the lodging of such requisition such capital carries the right of voting at shareholders' general meetings of the Company. Such requisition must state the objects of the meeting and must be signed by the requisitioners and lodged at the office of the Company.

Enquiries directed to the Board or the Company are facilitated by email to ir@ccccltd.cn or through the online messaging system on the Company's website. All announcements, press releases and conducive corporate information of the Company are available on the Company's website to enhance the transparency of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

According to the Company Law formally implemented on 1 July 2024 and the relevant provisions of the Transitional Period Arrangements for the Implementation of the Rules of the Supporting System of the Company Law (關於配套制度規則實施相關過渡期安排) issued by the CSRC on 27 December 2024, listed companies shall stipulate in their articles of association before 1 January 2026 that, the board of directors shall establish an audit committee to exercise the functions and powers of the supervisory committee as stipulated in the Company Law and shall not have a supervisory committee or any supervisors. In order to optimize the corporate governance structure, the Company proposed to cancel the supervisory committee of the Company (the "Supervisory Committee") pursuant to the requirements of the aforesaid documents, to the effect that the Audit and Risk Committee will exercise the relevant functions and powers of the Supervisory Committee pursuant to the Company Law. Upon the approval by the Shareholders of the proposed amendments to the Articles of Association and the proposed cancellation of the Supervisory Committee at the 2024 annual general meeting held on 16 June 2025, the Supervisory Committee was cancelled and the systems in relation to the Supervisory Committee (including the rules of procedure for the Supervisory Committee) were repealed accordingly, with effect from the conclusion of such general meeting. Furthermore, the Company subsequently made corresponding amendments to the terms of reference of the Audit and Risk Committee.

For details, please refer to the circular of the Company dated 16 May 2025, the announcements of the Company dated 27 April 2025 and 16 June 2025, and the amended Articles of Association dated 16 June 2025.

INVESTOR RELATIONS

Please refer to the chapter headed "Investor Relations" for detailed information. The Company has reviewed the implementation and effectiveness of its shareholder's communication policy during the reporting period. The Board is of the view that the Company has established a smooth and effective communication channel with its Shareholders and considers that the Company's shareholder communication policy and its implementation are effective.

The Shushan Double-Line Ship Lock of the Yangtze-to-Huaihe Water Diversion Project in Hefei, Anhui Province has passed the special acceptance inspection for underwater works. It will connect the Yangtze River and the Huai River shipping routes, alleviate the shortage of water resources in the Huai River basin, improve the ecological environment of Chaohu Lake and the Huai River basin, and support the high-quality integrated development of the Yangtze River Economic Belt and the Yangtze River Delta region.



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Song Hailiang

Born in 1965, Chinese nationality, is the secretary of the Party Committee, an executive Director and the chairman of the Board of the Company. He also serves as the secretary of the Party Committee and the chairman of CCCG. Mr. Song has extensive experience in corporate operation administration. He held positions as a member of the standing committee of the Party Committee, the vice president, the deputy secretary of the Party Committee, an executive Director and the president of the Company; the deputy secretary of the Party Committee, a director and the general manager of CCCG; the secretary of the Party Committee and the chairman of China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司); and the secretary of the Party Committee and the chairman of China Energy Engineering Corporation Limited (中國能源建設股份有限公司). Mr. Song graduated from Wuhan Institute of Water Transportation Engineering with a major in port machinery design and manufacture. He later pursued studies in engineering management at Tianjin University and obtained a doctorate degree in management. He is a senior engineer. Mr. Song has been serving as an executive Director and the chairman of the Board of the Company since July 2025.

Zhang Bingnan

Born in 1972, Chinese nationality, is the deputy secretary of the Party Committee, an executive Director and the president of the Company. He also serves as the deputy secretary of the Party Committee, a director and the general manager of CCCG. Mr. Zhang has extensive experience in operation administration. He held positions as a member of the standing committee of the Party Committee and the deputy general manager of China Poly Group Corporation (中國保利集團有限公司); and the deputy secretary of the Party Committee, a director and the general manager of China Forestry Group Corporation* (中國林業集團有限公司). Mr. Zhang graduated from Beijing Normal University with a major in economic management. He later pursued studies in applied economics at Xi'an Jiaotong University and obtained a doctorate degree in economics. He is a senior economist. Mr. Zhang has been serving as the president of the Company since June 2025, and as an executive Director of the Company since July 2025.

Liu Xiang

Born in 1968, Chinese nationality, is the deputy secretary of the Party Committee and an executive Director of the Company. He also serves as the deputy secretary of the Party Committee and an employee director of CCCG. Mr. Liu has extensive experience in corporate administration. He held positions as the inspector at the deputy director level of the Party mass work department, the deputy director of the Party mass work department and the secretary of the Youth League Committee of China Aerospace Science and Industry Corporation Limited (中國航天科工集團有限公司) ("Aerospace Science and Industry Corporation"), the chairman of the supervisory committee of Guizhou Aerospace Industry Co., Ltd. (貴州航天工業有限責任公司) and the director of the discipline inspection and supervision department, the deputy head of the Party disciplinary inspection group and the director of the human resource department of Aerospace Science and Industry Corporation. Mr. Liu successively graduated from Anhui Institute of Education majoring in Chinese. He later pursued studies at Renmin University of China and Beihang University, where he obtained a master's degree in literature and arts and a master's degree in business administration, respectively. He is a senior political engineer at the research institute level. Mr. Liu has been serving as an executive Director of the Company since June 2021.

Gao Chunlei

Born in 1966, Chinese nationality, is a non-executive Director of the Company and a full-time external director of state-owned enterprises. He also serves as an external director of CCCG, an independent non-executive director of Air China Limited and an external director of China Satellite Network Group Co., Ltd.* (中國衛星網絡集團有限公司). Mr. Gao has extensive experience in corporate operation and management and financial management. He held positions as the chief accountant, a member of the Party Committee, a director and the deputy secretary of the Party Committee of China Tower Corporation Limited ("China Tower"). Mr. Gao graduated from Beijing Institute of Posts and Telecommunications with a major in posts and telecommunications management engineering. He later pursued studies at ESC Rennes School of Business and obtained a doctorate degree in business administration. He is a senior economist. Mr. Gao has been serving as a non-executive Director of the Company since January 2026.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS (CONTINUED)

Chan Wing Tak Kevin

Born in 1966, Chinese nationality, a resident of Hong Kong Special Administrative Region, is an independent non-executive Director of the Company, the vice president of Chinese Banking Association of Hong Kong and a member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會). He also serves as an independent nonexecutive director of TravelSky Technology Limited and Royale Home Holdings Limited, respectively, and concurrently holds memberships in the following committees under The Government of the Hong Kong Special Administrative Region: the Chief Executive's Policy Unit Expert Group, the Independent Police Complaints Council, the Election Committee, the Listing Review Committee of Hong Kong Exchanges and Clearing Limited, the Investor and Financial Education Council of the Securities and Futures Commission of Hong Kong, etc. Mr. Chan has extensive experience in finance, securities and financial management. He held positions as the head of research division of Nomura International (Hong Kong) Limited in China and Hong Kong and the director of banking department thereof in Asia region; the head of China and Hong Kong Financial Department of CLSA Asia-Pacific Markets; and a senior advisor of KPMG China. Mr. Chan graduated from London School of Economics and Political Science with a master's degree in economics and has qualification of Fellow Certified Practising Accountant in Australia. Mr. Chan has been serving as an independent non-executive Director of the Company since February 2022.

Wang Qingqin

Born in 1964, Chinese nationality, is an independent non-executive Director of the Company. He possesses extensive experience in architectural design and technology management. He previously served as a member of the Party Committee and vice president of the China Academy of Building Research as well as a member of the Party Committee and deputy general manager of China Academy of Building Research Co., Ltd. Mr. Wang graduated from Harbin Institute of Civil Engineering and Architecture, majoring in architectural thermal energy engineering. He later pursued studies in corporate management at University of Science and Technology Beijing with a doctor's degree in management. He is a professor-grade senior engineer. Mr. Wang has been serving as an independent non-executive Director of the Company since January 2026.

Liu Ruchen

Born in 1963, Chinese nationality, is an independent non-executive Director of the Company. He also serves as the independent director of China State Construction Engineering Corporation Ltd. Mr. Liu possesses extensive experience in engineering construction and corporate management. He previously served as a member of the standing committee of the Party Committee of China Railway Construction Corporation Co., Ltd., the vice president and a member of the standing committee of the Party Committee of China Railway Construction Corporation Limited, a member of the standing committee of the Party Committee of China Railway Construction Corporation as well as a member of the standing committee of the Party Committee and an executive director of China Railway Construction Corporation Limited. Mr. Liu graduated from the China PLA Railway Corps Academy (中國人民解放軍鐵道兵學院), majoring in engineering machinery. He later pursued studies in management science and engineering at Southwest Jiaotong University with a master's degree in management. He is a professorate senior engineer. Mr. Liu has been serving as an independent non-executive Director of the Company since January 2026.

Wu Aihong

Born in 1968, Chinese nationality, is a non-executive Director of the Company and a full-time external director of state-owned enterprises. She also serves as an external director of Sinochem Holdings Corporation Ltd. and an external director of China International Intellectualtech Group Co., Ltd. Ms. Wu possesses extensive experience in legal compliance and policy research. She previously served as assistant general manager, general counsel and chief compliance officer of State Power Investment Corporation Limited. Ms. Wu graduated from Peking University with a master's degree in laws, majoring in science of civil law. She is a senior economist. Ms. Wu has been serving as a non-executive Director of the Company since January 2026.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS (CONTINUED)

Yang Xiangyang

Born in 1971, Chinese nationality, is currently an employee Director, the vice chairman of union federation, the director of the office of union federation and the chairman of labor union for headquarters of the Company. He also serves as the vice chairman of union federation, the director of the office of union federation and the chairman of headquarters labor union of CCGG. Mr. Yang has extensive management experience. He held positions as a director, a deputy general manager, a general manager (legal representative), the vice chairman, the secretary of the Party Committee and the chairman of CCCC Xi'an Road Construction Machinery Co., Ltd. (中交西安築路機械有限公司). Mr. Yang graduated from Chang'an University (formerly known as Xi'an University of Highway Traffics (西安公路交通大學)) with a bachelor's degree in engineering majoring in manufacturing of machinery and equipment (機械製造工藝與設備專業), and subsequently obtained a master's degree in mechanical engineering from Chang'an University (長安大學), and he is a professorate senior engineer. Mr. Yang has served as an employee supervisor of the Company since January 2026.

SENIOR MANAGEMENT

Liu Zhengchang

Born in 1968, Chinese nationality, is currently the chief financial officer of the Company and Board secretary. He also serves as the member of the standing committee of the Party Committee and the chief accountant of CCGG. Mr. Liu has extensive experience in enterprise economic management, financial management and internal audit, and he once served as a member of the Party Committee, the deputy general manager and the chief accountant of China Railway 15th Bureau Group Co., Ltd., as well as a member of the Party Committee, the deputy general manager and the chief accountant of China Railway 16th Bureau Group Co., Ltd; the chief of the audit and supervision bureau; a supervisor; a supervisor, the chief auditor, chief of the audit and supervision bureau; the chief auditor, a supervisor and general manager of the audit and supervision department of China Railway Construction Corporation Limited. Mr. Liu graduated from Dongbei University of Finance and Economics majoring in business administration, and obtained his master's degree in business administration. He is a senior accountant and was elected as a member of the national training programme for leaders in the accounting profession. Mr. Liu has been serving as the chief financial officer of the Company since January 2024, and serving as the Board secretary of the Company since July 2024.

Yang Zhichao

Born in 1981, Chinese nationality, is currently a member of the Party Committee and the vice president of the Company. Mr. Yang has extensive operational and management experience. He has successively served as the deputy general manager (deputy director) of the human resource department II (the Party Committee organisation department), a deputy director (deputy general manager) of the Party Committee work department (the enterprise culture department), a deputy director of the Party Committee work department (the Party Committee united front work department) and the secretary of the Youth League Committee of the Company; the deputy secretary of the Party Committee, a director and the general manager of China Urban and Rural Holding Group Co., Ltd. (中國城鄉控股集團有限公司); and the chairman of the board of directors of Southwest Municipal Engineering Design and Research Institute of China (中國市政工程西南設計研究總院有限公司). Mr. Yang obtained a bachelor's degree in engineering with a major in civil engineering from Changsha Jiaotong College (長沙交通學院) and subsequently obtained a master's degree in engineering with a major in transportation engineering from Changsha University of Science & Technology (長沙理工大學). He is a senior engineer and a senior political engineer. Mr. Yang has been serving as the vice president of the Company since August 2021.

The main construction of the Bac Lieu Phase III Offshore Wind Power Plant Project in Vietnam has been completed. The project is located in the coastal area of Bac Lieu Province, Vietnam, and primarily involves the installation of 33 wind turbine units. Once the project becomes operational, it is expected to supply 652 million kWh of green electricity annually, effectively promoting the optimization of the local energy structure and boosting local economic and social development.



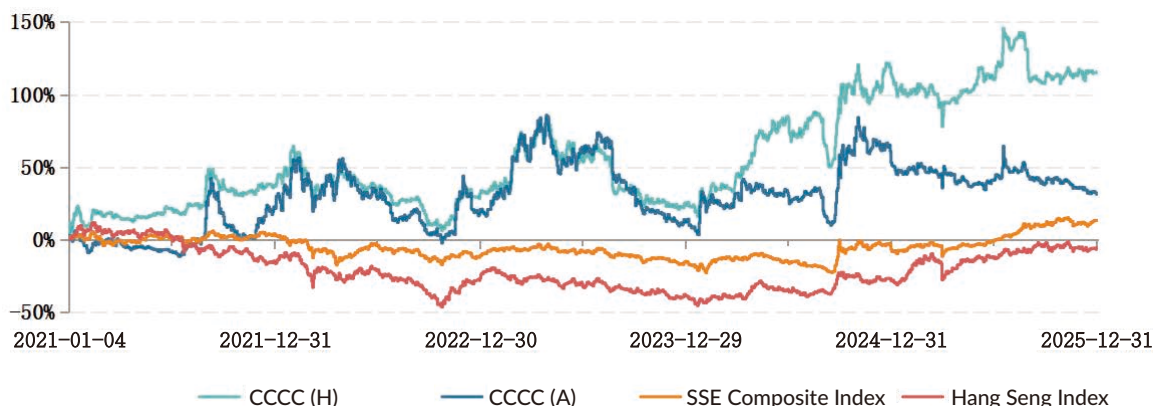
INVESTOR RELATIONS

The Company attaches great importance to investor relations management and capital market communication. Upholding the principles of transparency and compliance, timeliness and efficiency, as well as accuracy and symmetrical communication, we continuously improve our information delivery mechanism to help investors fully, accurately and objectively understand the Company's intrinsic value, development strategy and operating performance. Guided by investors' needs, we keep optimizing our communication mechanisms, diversifying our communication channels, and enhancing the quality and efficiency of investor interactions, and endeavor to promote the Company's market value to align with its intrinsic value, aiming to create long-term, stable and sustainable investment returns for its investors.

(I) CAPITAL MARKET REVIEW

In 2025, affected by various factors including the complex and volatile macroeconomic environment and industry cyclical fluctuations, the Company's share price showed structural divergence and periodic downward pressure, and its overall share price trend for the year underperformed the corresponding benchmark broad market indices of the onshore and offshore markets.

However, from the perspective of the full cycle over the "14th Five-Year Plan" period, the Company's share prices demonstrated a prominent advantage in long-term excess returns. Specifically, its A shares cumulatively rose by 31.1%, outperforming the SSE Composite Index (13.3%) and the Shenwan Construction Industry Index (10.5%) respectively; while its H shares cumulatively surged by 115.3%, significantly outperforming the Hang Seng Index (-6.7%) over the same period. Both trends reflected the Company's core competitiveness and investment value, which have increasingly gained extensive recognition across onshore and offshore markets.



(II) FOCUSING ON THE BRIDGING ROLE OF INVESTOR RELATIONS TO PROMOTE POSITIVE CAPITAL MARKET ENGAGEMENT

In 2025, the Company remained committed to an honest, pragmatic, proactive and open approach, and conducted a series of diversified, frequent and in-depth investor communication activities to ensure that investors could access information conveniently and clearly, and guide the market in recognizing the Company's value.

1. Transparent and Efficient Performance Communication to Address Investor Concerns

The Company held 4 quarterly results presentations to ensure that all investors had equal and timely access to the Company's operating results. Prior to the presentations, the Company widely collected questions from investors through a range of channels including telephone, online platforms and investor interactive platforms, and then submitted them to the Company's management with a request that management attach due importance to and fully address investors' key concerns. During the presentations, the Company established a "1+N" multi-channel participation framework to ensure equal and efficient participation for all investors. With on-site communication as the core, we simultaneously opened up access via video, online and telephone channels. We invited analysts and investor representatives to attend the meetings in person, and leveraged the SSE Roadshow Center to safeguard the legitimate rights and interests of minority investors in convenient participation and efficient interaction. In response to the differentiated needs of onshore and offshore investors, the chairman of the Board attended the Hong Kong H share results presentation, while the president attended the Beijing A share results presentation, to deliver authoritative information and demonstrate high regard for all types of investors. During the presentation in Hong Kong, the Company's H shares delivered an outstanding performance, leading the gains among industry peers with a rise of 9.6%, and receiving positive and proactive market feedback. After the presentations, we promptly made complete and clear roadshow documents available to the market, and compiled the Capital Market Analysis Report and the Peer Benchmarking Analysis Report, to systematically organize feedback and recommendations from investors, and convert them into internal management proposals, thereby facilitating the substantive conversion of investor communication outcomes into meaningful improvements in the quality and efficiency of the operations and management.

2. Actively Planning Value Discovery Activities to Show the Core Competitiveness

The Company closely followed national policy directions and prevailing capital market themes, and delivered efficient and targeted responses to investors' core demands. We actively planned special value communication activities, including organizing on-site investor visits to our projects, scientific research platforms and production frontlines, demonstrating the Company's strategic layout, development achievements and operational quality to the capital market, and established a new, immersive, experiential and scenario-based investor relations management model.

First, holding the "New Quality Productive Forces Empowering High-quality Development" special research. Leveraging the Highway Bridges National Engineering Research Centre (公路長大橋建設國家工程研究中心), the only national-level engineering research centre in China's bridge sector, the Company invited representatives from over 50 listed companies in Beijing and media journalists to participate in the on-site event, which enabled them to gain an in-depth understanding of the Company's leading capabilities in intelligent and digital construction, and jointly explore the practical pathways and industry demonstrative value of new quality productive forces in empowering the infrastructure sector and driving high-quality development of corporate.

Second, organizing distinctive reverse roadshows. Focusing on the major theme of the 70th Anniversary of the Founding of the Xinjiang Uygur Autonomous Region, the Company selected the Tianshan Shengli Tunnel Project – a national key strategic project – to hold a collective reverse roadshow under the theme of "New Quality Productive Forces Empowering High-quality Development". This activity comprehensively demonstrated the on-site implementation and application of the Company's new quality productive forces achievements in this super project, the synergistic advantages of the entire industrial chain, and innovation results. It enabled the capital market to intuitively experience the strong new momentum injected by new quality productive forces into the infrastructure industry, systematically mapped out a replicable and widely applicable industry upgrading pathway, helped the capital market form a rational understanding of the Company's intrinsic value, and drove the reasonable realignment of the Company's valuation.

Third, carrying out targeted non-deal roadshows. Following the release of the interim results, we systematically compiled the register of the top 20 core shareholders of A share and H share, and conducted one-on-one, small-scale and highly targeted in-person visits across three key cities: Beijing, Shanghai and Shenzhen. We held in-depth dialogues focused on long-term value, strategic planning and operational quality enhancement, and comprehensively collected opinions and development recommendations from shareholders. After the roadshow, we systematically consolidated and conducted in-depth analysis of shareholders' core demands and reasonable proposals, with all relevant findings fully incorporated into the 2025 Interim Results Peer Benchmarking Analysis Report for Listed Central Construction Enterprises, providing solid data support and a scientific decision-making basis for the Company's subsequent strategic optimization, targeted value delivery, and quality and efficiency enhancement of investor relations management.

INVESTOR RELATIONS

(II) FOCUSING ON THE BRIDGING ROLE OF INVESTOR RELATIONS TO PROMOTE POSITIVE CAPITAL MARKET ENGAGEMENT (CONTINUED)

3. Developing a Smart Communication Platform to Enhance Information Access and Interactive Experience

To align with the prevailing trend of digital communication, the Company continuously iterated and developed its digital investor relations platform. Leveraging our “investor relations” WeChat official account, we delivered core information through diversified content formats, refined operations and systematic collection, and consistently improved our investor protection mechanism, creating a convenient, efficient, precisely targeted and user-friendly “one-stop” digital hub for investor services.

Firstly, strengthening policy interpretation and strategic communication. To closely align our work with industry policy directions, core market concerns and the implementation of the Company’s strategy, we launched a series of thematic interpretation initiatives focusing on key priorities including the themes of the national “Two Sessions”, our shareholding increase and share repurchase plan, and the dissemination of management’s strategic vision, thereby delivering timely and targeted updates on industry trends and the Company’s development dynamics. **Secondly, enhancing the readability and dissemination of our periodic reports.** Following the release of the Company’s results, we published visualized “at-a-glance” annual reports, and also launched dedicated columns like “Focus on Periodic Reports” and “Results Q&A”, to provide in-depth interpretation of the Company’s key priorities such as the “Six Strategic Priorities” and “Ten Core Advantages”, significantly improving the efficiency of information delivery and investors’ understanding by simplifying complex information into intuitive and clear content. **Thirdly, summing up core information and compiling capital market monthly reports.** We consolidated key industry operational updates, outcomes of investor exchange activities, regulatory policy changes, and capital market core perspectives on a monthly basis, and presented key information in a multi-dimensional and panoramic manner, supporting the management efficiently and conveniently accessing the core concerns of the capital market. **Fourthly, launching a column dedicated to “market value management” to achieve the systematic collection of information.** We systematically collated and released the measures and progress related to the Company’s market value management, and compiled a special collection to facilitate one-stop access and systematic understanding for investors, significantly optimizing the information retrieval and reading experience. To date, our WeChat official account has effectively fostered regular reading habits among investors and has continuously improved user stickiness. It has become a core channel for minority investors to access information and conduct real-time interaction, and the effectiveness of these initiatives has received widespread recognition from the capital market and all investors.

4. Improving Communication with Minority Investors and Effectively Protecting Investors’ Rights and Interests

The Company has always insisted on treating all types of investors fairly, impartially and equally. Facing our extensive base of minority shareholders, the protection of their rights and interests has been integrated throughout the entire process of our investor relations management. We have continuously maintained open and diversified communication channels to safeguard investors’ rights to information, participation and supervision. The Company has arranged specialized personnel to answer the IR hotline, and handle IR enquiry emails, ensuring responses within 48 hours, and achieved a 100% response rate to investors’ concerns on the SSE e-Interaction Platform, ensuring that all investors have a clear understanding of the Company’s operating results and development dynamics.

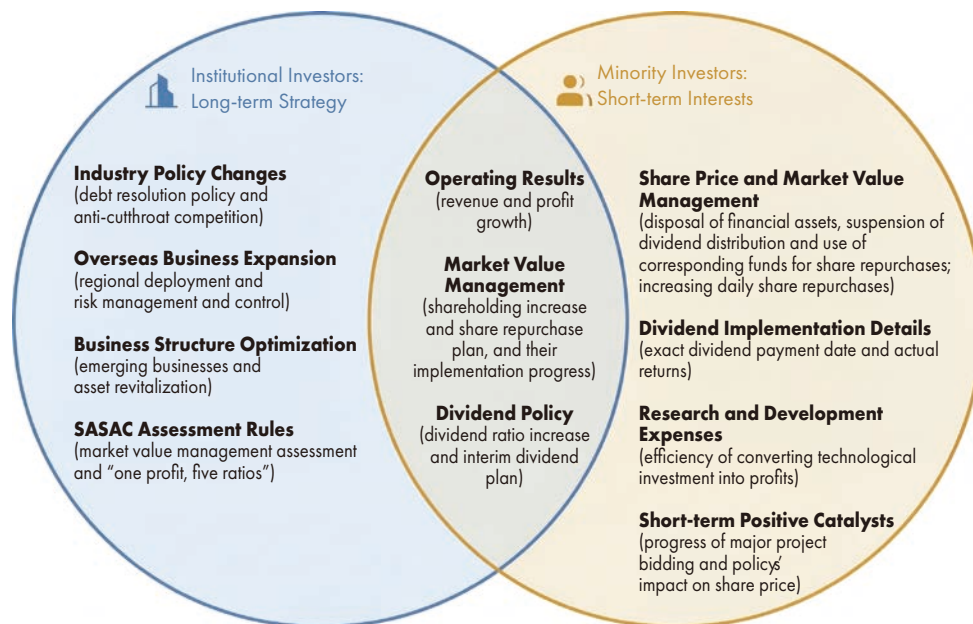
Meanwhile, the Company carried out regular and comprehensive institutional investor research activities, and actively communicated with onshore and offshore securities research institutions and professional investors through multiple channels including but not limited to routine on-site visits and research, industry institutional summits, and investor reception days. It maintained ongoing interaction in line with capital market demands, and delivered the Company’s intrinsic value and development strategy. The Company also established a capital market information tracking and feedback mechanism. It systematically summarized key concerns of the capital market, institutional perspectives and optimization proposals in the form of 12 monthly capital market reports (briefings) and 2 special reports, which were promptly submitted to the management, to provide reference and support for operational decision-making and value management. In 2025, the Company answered nearly 200 investor hotline calls, responded to 293 enquiries on the SSE e-Interaction Platform, and participated in 86 events including investor summits and institutional research sessions, achieving high-frequency, high-quality communication with all categories of investors.

(II) FOCUSING ON THE BRIDGING ROLE OF INVESTOR RELATIONS TO PROMOTE POSITIVE CAPITAL MARKET ENGAGEMENT (CONTINUED)

4. Improving Communication with Minority Investors and Effectively Protecting Investors' Rights and Interests (continued)

In terms of investors' concerns, institutional and minority investors had clear, distinct priorities. Institutional investors focused on five core areas: the Company's operational and performance outlook, financial position and cash flow management, local government debt resolution and project payment collection, overseas business deployment and prospects, market value management and shareholder return policy. Key topics including market value management, debt resolution and payment collection, overseas expansion, emerging business incubation and standardized PPP project disposal remained in focus throughout the year, reflecting investors' strong attention to the Company's long-term investment value, financial robustness, strategy execution and sustainable development capacity. Minority investors primarily focused on the following matters: the alignment between the operating results and share price performance, market value management initiatives and the implementation of share repurchase plans, the higher levels of research and development expenses and investment returns, as well as dividend distributions and shareholder returns, reflecting minority investors' close attention to the Company's short-term operational performance, direct return levels, and supportive measures for share prices.

Key concerns for institutional/minority investors in 2025



INVESTOR RELATIONS

(II) FOCUSING ON THE BRIDGING ROLE OF INVESTOR RELATIONS TO PROMOTE POSITIVE CAPITAL MARKET ENGAGEMENT (CONTINUED)

4. Improving Communication with Minority Investors and Effectively Protecting Investors' Rights and Interests (continued)

List of the Company's major investor relations activities in 2025

Month	Activity	Organiser
January	2025 Annual Online Strategy Conference	China Galaxy Securities
	2025 Annual Online Strategy Conference	Eastmoney Securities
	25th Greater China Conference	UBS Securities
February	2025 Spring Online Strategy Conference	Kaiyuan Securities
	2025 Spring Online Strategy Conference	TF Securities
	2025 Spring Online Strategy Conference	Huafu Securities
	2025 Spring Online Strategy Conference	Guotai Haitong Securities
	Series of Exchange Conferences on the Transformation of State-owned Construction Enterprises	Huatai Securities
	CCCC Recent Operational Performance Exchange Conference	Changjiang Securities
	2025 Lunar New Year Kick-off Conference Call Series	GF Securities
March	2024 Annual Results Presentation	CCCC
April	2024 Annual Results Presentation (Hong Kong)	CCCC
	Annual Results Non-deal Roadshow	CCCC
	2025 First Quarterly Results Presentation	CCCC
May	2025 Interim Online Strategy Conference	Western Securities
	2025 Interim Online Strategy Conference	Kaiyuan Securities
	Exchange Summit	SDIC Securities
	Citigroup 2025 A Share Corporate Day	Citibank
	2025 Capital Markets Forum and Interim Strategy Conference	Industrial Securities
	GF Securities Closed-door Exchange Conference for Premium Listed Companies	GF Securities
	2025 Capital Markets Forum	Citic Securities

(II) FOCUSING ON THE BRIDGING ROLE OF INVESTOR RELATIONS TO PROMOTE POSITIVE CAPITAL MARKET ENGAGEMENT (CONTINUED)

4. Improving Communication with Minority Investors and Effectively Protecting Investors' Rights and Interests (continued)

List of the Company's major investor relations activities in 2025 (continued)

Month	Activity	Organiser
June	2025 Interim Investment Summit	Huatai Securities
	2025 Interim Investment Strategy Conference	Guotai Jun'an Securities
	"New Quality Productive Forces Empowering High-quality Development" Special Research	CCCC
July	CCCC (A)/ CCCC (H) Recent Development Exchange Conference Call	Guosheng Securities
	"Big Infrastructure and Anti-cutthroat Competition" and Recent Operational Performance Exchange Conference Call	GF Securities
September	2025 Interim Results Industry Analyst Conference	CCCC
	Interim Results Non-deal Roadshow	CCCC
	CCCG Collective Reverse Roadshow (Xinjiang)	CCCC
	CCCC In-depth Reporting Conference	Western Securities
October	2025 Third Quarterly Results Presentation	CCCC
November	2026 Annual Online Strategy Conference	Guotai Haitong Securities
	2026 Investment Summit	Huatai Securities
	2025 Annual Investment Strategy Conference	CICC
	2026 Annual Capital Market Conference	Citic Securities
	2026 Capital Market Summit	CSC Financial
	2026 Annual Strategy Conference	Caitong Securities

INVESTOR RELATIONS

(III) STRICTLY ADHERING TO THE COMPLIANCE BOTTOM LINE AND ENHANCING THE QUALITY OF INFORMATION DISCLOSURE

The Company has always regarded information disclosure as a top priority, strictly adhering to the principle of “truthful, accurate, complete, timely and fair” disclosure. On the basis of building a solid compliance defence, the Company focuses on enhancing the value connotation and communication effectiveness of information disclosure, helping the capital market to rationally assess the Company’s value.

Firstly, promoting the transformation from “compliance disclosure” to “proactive communication and value disclosure”. On the basis of strictly complying with regulatory requirements and ensuring compliance disclosure, the Company continuously optimizes the structure, content design, and language of our periodic reports, and proactively incorporates voluntary disclosure content such as interpretation of strategy implementation, judgement of industry development, risk warnings and corresponding measures, thereby enriching the dimensions of disclosure. At the same time, a new “Investor Concerns Index” module has been added to precisely address key areas of frequent interest in the capital markets regarding the Company’s market value management, dividend policy, technological innovation and business transformation, clearly indicates the corresponding page numbers and chapters. This facilitates investors in quickly locating and efficiently accessing information, effectively enhancing the readability and usability of the reports. **Secondly, focusing on enhancing the density of content value and strengthening the “usefulness” of disclosed information.** Throughout the entire information disclosure process, the Company adheres to a capital market demand-oriented approach, proactively expanding the depth and breadth of disclosure. On the one hand, it uses quantitative data and specific cases as supplementary explanations to systematically present the progress of technological research and development in emerging businesses, breakthroughs in core technologies, and the results of digital transformation and upgrading of traditional businesses, enabling investors to intuitively perceive the Company’s innovation capabilities. On the other hand, it discloses in detail the pace of market expansion in key regions, project implementation results and future development plans for new business areas, comprehensively demonstrating the Company’s development potential. By accurately disclosing the core information that investors care about most and need most, the Company effectively enhances the “usefulness” and “pertinence” of information disclosure, ensuring that disclosed information is more comprehensive, more accurate and of greater reference value, fully aligning with the capital market’s need to understand and assess the Company’s intrinsic value and development potential.

(IV) CONSOLIDATING THE FOUNDATION OF GOVERNANCE AND ENHANCING GOVERNANCE EFFECTIVENESS

The Company has always believed that a sound, standardized and efficient corporate governance is fundamental to safeguarding the long-term interests of investors. The Company continues to promote the optimization of our governance structure and the upgrading of our operational mechanisms, strengthening the Board’s functions of scientific decision-making, standardized operation and effective supervision, thereby consolidating the governance foundation for the Company’s high-quality development and the protection of investors’ interests.

Firstly, strengthening forward-looking management of agendas. A mechanism for forward-looking reserve and planning of Board decision-making agendas has been established. Focusing on the Company’s strategic roadmap and annual operational priorities, major decision-making agendas are planned and screened in advance, ensuring that the Board focuses on strategy, deliberates on major issues, mitigates risks and promotes development. A “standardized + customized” template for motion materials has been introduced, supplemented by background information and visual briefings, to assist Directors in efficiently grasping information and making precise decisions. Secondly, strengthening support for Directors in fulfilling their duties. A pre-meeting communication and consultation mechanism has been improved. For major and complex matters, management is organized in advance to provide special briefings to directors or arrange on-site investigations. Regular regulatory training for directors is conducted to keep them informed of the latest policy developments. A “Reference for Directors’ Performance of Duties” (《董事履職參考》) is compiled and dynamically updated, integrating key points of corporate governance, industry dynamics and risk cases, to help directors, especially new directors, quickly adapt to their roles. Thirdly, promoting the digital transformation of governance. The electronic meeting system has been improved to facilitate the participation of directors in remote locations. A supervisory ledger system for Board resolution has been established, achieving closed-loop management of “efficient communication before meetings – convenient decision-making during meetings – follow-up and implementation after meetings”. The “Strategy and Investment Committee” has been upgraded to the “Strategy and Investment and ESG Committee”, incorporating ESG management into the Board’s top-level decision-making, injecting sustainable governance momentum into high-quality development.

(V) CONTINUOUS IMPROVEMENT OF INVESTOR RELATIONS

In 2025, the Company made coordinated efforts to optimize corporate governance, enhance the quality of information disclosure, and upgrade investor relations management. These initiatives were implemented effectively and yielded significant results, earning widespread recognition from the capital markets, regulatory authorities, and investors. In terms of information disclosure, the Company adhered to the compliance standards and focused on value delivery, it has been awarded the “A-Class Evaluation for Listed Company Information Disclosure (上市公司信息披露A類評價)” by the SSE for twelve consecutive years. In terms of investor relations, the Company engaged in refined and professional communication, it has been awarded the “Golden Bauhinia – Outstanding Investor Relations Management (金紫荊 – 卓越投資者關係管理)” and the “Golden Bauhinia – Outstanding Board Secretary (金紫荊 – 卓越董事會秘書)” two significant honors by Ta Kung Pao. In terms of management cases, the Company adhered to integrity and innovation, setting benchmark examples, and again received accolades of the “2025 Annual Report Results Presentation Best Practice Case (2025年年報業績說明會最佳實踐案例)” and the “Best Practice Case of the Boards (董事會最佳實踐案例)”, and the “Best Practice Case for the Board Office of Listed Companies (上市公司董辦最佳實踐案例)” for four consecutive years by China Association for Public Companies. In terms of corporate governance, the Company focused on standardization and efficiency to enable long-term development, winning several authoritative awards including the “Golden Bull Award – Most Investment-Worthy Company (金牛獎 – 最具投資價值)” and the “Golden Roundtable Award – Special Contribution to Corporate Governance (金圓桌 – 公司治理特別貢獻)” by China Securities Journal.

As a pioneer in capital market communication and a practitioner of standardized development in the infrastructure industry, the Company will remain steadfast in its commitment to protecting investor interests, driving value communication through innovation, strengthening the foundation of trust through transparency, and enhancing the quality and efficiency of communication through professionalism. We will continue to build an industry-leading, standardized, efficient and exemplary investor relations management system, contributing central state-owned enterprise responsibility and commitment to the high-quality development of the capital market and deliver long-term, stable and sustainable value returns for all investors.

INVESTOR RELATIONS

SOLIDLY ADVANCING THE “IMPROVING QUALITY, INCREASING EFFICIENCY AND ENHANCING RETURNS” ACTION AND FOCUSING ON THE COMPANY’S VALUATION ENHANCEMENT

The Company has always adhered to a long-term value orientation, regarding intrinsic value enhancement and the rational return of valuation as long-term, fundamental strategic tasks, continuously exploring value management strategies tailored to the Company’s actual situation. In accordance with the requirements of the Proposal for Launching the “Improving Quality, Increasing Efficiency, and Enhancing Returns” Special Initiative for SSE-listed Companies put forward by the Shanghai Stock Exchange (《上海證券交易所關於開展滬市公司「提質增效重回報」專項行動的倡議》), the Certain Opinions on Improving and Strengthening the Management of Market Value of Listed Companies Controlled by Central Enterprises issued by the State-owned Assets Supervision and Administration Commission (《國資委關於改進和加強中央企業控股上市公司市值管理工作的若干意見》), and the CSRC Regulatory Guidance for Listed Companies No. 10 – Management of Market Value (《證監會上市公司監管指引第10號——市值管理》), the Company systematically studied and grasped the essence of the spirit, formulated high-level plans, took proactive action, and successively formulated the Action Plan of Improving Quality, Increasing Efficiency and Enhancing Returns (《提質增效重回報行動方案》), the Management Measures on Market Capitalization (《市值管理辦法》), and the Valuation Enhancement Plan and Market Value Management Program (《估值提升計劃及市值管理方案》). It constructed and clarified the “1+7+N” market value management system, promoting the institutionalization, systematization and normalization of value management.

During the reporting period, facing the complex and volatile capital market environment, the Company focused on its main business fundamentals and solidly advanced the implementation of various foundational tasks. It focused on the stable operation of its core business, continuously optimized the strategic layout of “five wholes, four bigs and five types (五全四大五型)”, and continuously consolidated the foundation for business development. It consistently valued reasonable returns to shareholders and strengthened the implementation of the cash dividend mechanism. It steadily promoted the reform of the Supervisory Committee and the re-election of the Board, continuously improving the corporate governance structure and deepening governance effectiveness. Adhering to its operational fundamentals as the core, compliance governance as a guarantee, and long-term returns as a guide, the Company consolidated its intrinsic value foundation in multiple dimensions, continuously conveyed its true operating situation and long-term development logic to the market, steadily built a foundation for sustainable high-quality development, and effectively safeguarded the long-term interests of all investors.

SOLIDLY ADVANCING THE “IMPROVING QUALITY, INCREASING EFFICIENCY AND ENHANCING RETURNS” ACTION AND FOCUSING ON THE COMPANY’S VALUATION ENHANCEMENT (CONTINUED)

Firstly, focusing on core responsibilities and main business to solidify the foundation of value creation. During the reporting period, guided by strategy, the Company firmly implemented the “1545” development strategy, adhered to the core orientation of the “five values (五個價值)”, and strictly benchmarked against the “one-profit, five-ratio (一利五率)” assessment orientation, proactively assuming responsibility and tackling difficulties. Due to the combined impact of multiple external challenges such as macroeconomic fluctuations, intensified industry competition and weak market demand, the Company’s key performance indicators have come under temporary pressure. At the same time, the Company’s operational quality and efficiency maintained a strong momentum, with its operating cash flow ratio and overall labor productivity ranking among the top of central state-owned enterprises in the construction sector. The Company deeply advanced the special action of “solidified the value of assets”, adhering to a focus on revitalizing existing assets, optimizing incremental assets and enhancing efficiency, reallocating resources to concentrate on ensuring the high-quality development of its core responsibilities and main business, achieving landmark results in various tasks. The first was to systematically promote the securitization of infrastructure assets such as highways, bridges and urban complexes, while continuously expanding channels for revitalizing existing assets, with the cumulative value of revitalized assets reaching approximately RMB49.4 billion. Among these, the successful issuance of the Guangzhou-Lianzhou Expressway Real Estate ABS Project (廣連高速不動產ABS項目), with an issuance scale of RMB15 billion, set two market records: the largest transaction volume for the revitalization of existing infrastructure assets and the largest issuance size for ABS by a property holding company. The successful issuance of the CCCC Zhankou Yangtze River Bridge Asset-Backed Special Plan (Quasi-REITs) (中交沌口長江大橋資產支持專項計劃(類REITs)) innovatively establishing a dual-value-driven model of “infrastructure revenue + data asset appreciation”, becoming the first market practice to incorporate expressway data assets into the underlying assets of ABS. Second, it implemented precise measures to revitalize financial assets, categorizing disposal targets and implementation strategies, opportunistically selling listed stocks and fully exiting from funds in which we held minority stakes, and steadily promoting the reduction and disposal of inefficient and ineffective financial assets. During the reporting period, a total of approximately RMB3.884 billion of financial assets were revitalized, with the asset layout continuously focusing on the main business, the asset structure continuously optimized, and the efficiency of fund use and allocation effectiveness steadily improved.

Secondly, raising the quality of information disclosure to boost corporate transparency. The Company strictly abides by the listing regulatory rules in both Shanghai and Hong Kong, strictly adheres to the core baseline of “zero errors, zero delays (零差錯、零延誤)”, continuously strengthens the foundation of compliance management for information disclosure, and focuses on the pertinence of disclosed content value and the enhancement of value density. Adhering to a strategy implementation-oriented approach, it refines the dimensions and granularity of information disclosure, closely follows the main line of cultivating new quality productivity, systematically report on the progress of technological research and development in emerging businesses and the advancement of digital transformation in traditional businesses, and objectively presents the market layout, project implementation and core capability cultivation results of emerging businesses in key regions. Relying on activities such as the special research program “New Quality Productive Forces Empowering High-quality Development (新質生產力賦能高質量發展)”, it demonstrates in multiple dimensions the technological breakthroughs and industrial application practices of the Highway Bridges National Engineering Research Center (公路長大橋建設國家工程研究中心), guiding investors to more comprehensively understand the Company’s core technological strength and application transformation results. The Company continuously optimizes its information disclosure system and working mechanism. While strictly adhering to the bottom line of disclosure compliance and timeliness, it continuously improves the quality of information disclosure, objectively reflecting the pace of the Company’s strategy implementation and its actual operation and management, thereby providing comprehensive, timely and effective information to support rational decision-making by the market and investors. The Company has been rated as A-Class Evaluation for Listed Company Information Disclosure by the Shanghai Stock Exchange for 12 consecutive years, enhancing market recognition through improved transparency and creating a favorable information environment for promoting the rational return of the Company’s valuation.

INVESTOR RELATIONS

SOLIDLY ADVANCING THE “IMPROVING QUALITY, INCREASING EFFICIENCY AND ENHANCING RETURNS” ACTION AND FOCUSING ON THE COMPANY’S VALUATION ENHANCEMENT (CONTINUED)

Thirdly, strengthening investor relations management and safeguarding investors’ lawful rights and interests. The Company has established a multi-tiered and all-round investors communication system to earnestly safeguard investors’ lawful rights and interests. During the reporting period, the Company held 4 high-quality results presentations, with the Chairman, President and other core management participating in full. The Company made rigorous meeting planning, prepared detailed presentation materials, properly arranged investor Q&A sessions, and openly communicated to the market about our operational performance, strategic implementation progress and medium-to-long-term development plans, responding proactively to market concerns. The Company innovatively launched targeted and scenario-based reverse roadshows, inviting investors to visit the super project of Tianshan Shengli Tunnel and holding a collective reverse roadshow themed “New Quality Productive Forces Empowering High-quality Development”, which showcased the application of new quality productive forces in super projects and the synergy with the whole industrial chain, and gained wide recognition from the capital market. The Company conducted targeted communication with core Shareholders, focusing on the top 20 core Shareholders to carry out non-deal roadshows and in-depth exchanges, fully listened to Shareholders’ opinions and suggestions, and enhanced long-term investors’ understanding and recognition of the Company’s development logic. We maintained regular investor research and seminars to actively engage with various market institutions and minority investors, with total attendance exceeding 1,000 participants during the reporting period, maintaining smooth and regular communication channels. In addition, in terms of investor rights protection, the Company formulated the Detailed Rules for Shareholder Access to Corporate Information (《股東查閱資料實施細則》), further improving the institutional arrangement balancing the exercise of Shareholder rights and corporate interests, and safeguarding Shareholders’ right to access to information and participation in accordance with the law. Concurrently, the Company has strengthened the public opinion management system, established a 24-hour public opinion monitoring system, and strictly implemented the weekly reporting and monthly analysis mechanism, covering mainstream financial media, social platforms and full-spectrum regulatory updates. In this way, we can track and analyze market public opinions in a timely manner and provide a solid guarantee for maintaining a sound market communication environment and stable investor expectations.

Fourthly, refining our dividend policy to deliver steady, growing returns to Shareholders. Committed to sharing development outcomes with all Shareholders, the Company regards stable and sustainable Shareholder returns as a key part of value management, kept improving a long-term, stable and sustainable dividend mechanism, and built a predictable Shareholder return system. During the reporting period, in strict accordance with the regulatory requirements of “raising dividend frequency and increasing dividend ratio”, and considering the actual operation of the construction industry, the Company planned to further increase the cash dividend ratio based on the net profit attributable to shareholders of the parent company of RMB14,751 million, with an expected cash dividend of approximately RMB3,172 million (tax inclusive). The Company actively explored a more frequent dividend schedule, and has implemented an interim profit distribution for the first half of 2025, with the first cash dividend for the year of approximately RMB1,914 million. We steadily practiced the “multi-dividend a year” model to further enhance the timeliness and continuity of Shareholder returns. After deducting the distributed interim dividend, the total amount of the final dividend under this annual profit distribution plan is expected to be approximately RMB1,258 million. Since its listing, the Company has returned approximately RMB57,600 million to Shareholders in aggregate, rewarding long-term investors with sustained concrete actions. In addition, to further institutionalize a sound, sustainable and stable dividend policy, the Company formulated the Cash Dividend Plan (2025–2027) (《現金分紅規劃(2025–2027年度)》), specifying that the dividend ratio shall not fall below 20% and the dividend plan shall be dynamically optimized and improved in light of operating results, operating cash-flow conditions and the overall industry level. While taking the Company’s sustainable development strategy into account, the Company will steadily increase Shareholder returns and effectively safeguard the long-term lawful rights and interests of all investors.

Fifthly, carrying out top-up purchases and repurchases of shares to bolster investor confidence. The Company regards top-up purchases and repurchases of shares as an important measure to maintain reasonable corporate value, stabilize capital market expectations and protect Shareholders’ long-term interests. It has issued the Long-term Share-repurchase Mechanism (《股份回購長效機制》), upgrading short-term market measures to a regular, institutionalized value management system, further enhancing our institutional capacity to navigate complex capital market volatility, and effectively safeguarding corporate value and investor rights. Following the overall deployment under the Valuation Enhancement Plan and Market Value Management Program (《估值提升計劃及市值管理方案》) and responding to national policies and regulatory guidance, the Company promptly issued the Indicative Announcement in Relation to the Planned Repurchase and Shareholding Increase, which announced an intended investment of RMB750 million to RMB1,500 million for implementing the plan of top-up purchases and repurchases of shares, demonstrating our confidence and resolution in long-term steady development with substantial capital. To date, CCCG acquired 47 million H shares in aggregate via Southbound Stock Connect, with a transaction value of RMB221 million; the Company repurchased 48 million A shares in aggregate, with a transaction value of RMB410 million. These top-up purchases and repurchases are progressing in an orderly manner and in compliance with regulations, reflecting the recognition of the controlling shareholder and the Company in intrinsic value, and helping stabilize market expectations, protect minority investor interests, and lay a solid foundation the Company’s long-term healthy development.

SOLIDLY ADVANCING THE “IMPROVING QUALITY, INCREASING EFFICIENCY AND ENHANCING RETURNS” ACTION AND FOCUSING ON THE COMPANY’S VALUATION ENHANCEMENT (CONTINUED)

Sixthly, institutionalizing medium-and long-term incentives to fully engage our scientific talent and front-line skilled workforce. The Company takes medium-and long-term incentives as an important starting point to stimulate talent innovation, foster new quality productive forces and strengthen core competitiveness. It actively explores a diversified and differentiated incentive system, and binds talent interests with corporate long-term development through incentive methods more suitable for the Company’s reality and talent growth, motivating the initiative and creativity of scientific talent and front-line skilled workforce. First, we piloted incentives in technology-innovative subsidiaries, supporting eligible entities to launch medium and long-term incentive plans such as equity incentives and employee stock ownership plans in accordance with rules, and encouraging subsidiaries to refine incentive mechanisms based on their business and growth stages to boost grassroots innovation. Second, we improved the scientific and technological innovation incentive system by setting up special innovation rewards with clear reward standards and evaluation procedures, and granting special rewards to teams and individuals making outstanding contributions in major technological R&D, core achievement transformation and key problem tackling, thus encouraging technological innovation and achievement implementation. Third, we enhanced the talent support and growth incentive system, introducing special allowance policies for key scientific and front-line skilled talents, optimizing professional evaluation and promotion paths, removing development barriers, protecting the rights and interests of core talents and enhancing their sense of belonging. Fourth, we launched special result-based incentives with a focus on key tasks including receivables collection and inefficient and invalid asset revitalization, set differentiated incentive clauses and offered extra rewards to project teams that exceed targets and make outstanding contributions, so as to drive task delivery and work efficiency. These incentive measures are implemented in an orderly manner to effectively overcome the limits of traditional incentive models, inspire innovation and enthusiasm among our scientific talent and front-line skilled workforce, and provide strong human resources support for key technology breakthroughs, strategy implementation and sustainable high-quality development.

Seventhly, advancing the mergers and acquisition of high-quality assets and undertaking timely integration and restructuring of resources. Focusing on its main responsibility and principal business while serving the strategic layout, the Company uses M&A and restructuring to integrate high-quality resources, strengthen strategic layout of emerging industries and core business competitiveness, and build a new “industrial synergy + capital empowerment” development model. We formulated a 2025 M&A plan for strategic emerging industries, and guided and supported nine subsidiaries in facilitating 10 equity investment projects across strategic emerging sectors, thereby steadily improving the innovative layout of the industrial chain. We seized the opportunity presented by industry integration and the reform of state-owned enterprises, enhanced top-level planning and target cultivation, and established a reserve list of target companies in key areas such as marine engineering, water conservancy and hydropower, and intelligent transportation. Efforts were intensified to integrate external high-quality resources, and promote the optimization and upgrading of industrial layout to high-end, intensive and professional development. Adhering to empowering the high-quality development of subsidiaries through M&A and restructuring, we supported core subsidiaries in enhancing qualifications and expanding business through market-oriented M&A. We assisted CCCC Dredging and Changjiang Construction in obtaining high-grade qualifications for water conservancy engineering construction, effectively breaking barriers to business expansion; promoted CCCC Dredging to further expand its marine engineering and equipment business layout via equity acquisitions, continuously completing the full-water business chain and steadily lifting the comprehensive competitiveness of the industrial chain.

Eighthly, improving and refining the ESG system to enhance the management and elevation of our brand image. The Company strictly abides by the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) (《上海證券交易所上市公司自律監管指引第14號 – 可持續發展報告(試行)》) and supporting compilation guidelines, and integrates the concept of sustainable development into the whole process of governance and operation. It implemented the dual materiality principle in accordance with the core disclosure framework of “Governance – Strategy – Impacts, Risks, and Opportunities Management – Indicators and Targets”, and established a standardized ESG management and information disclosure system, so as to improve disclosure quality, and help brand image and long-term value enhancement. During the reporting period, the Company prepared and released its 2024 Sustainability (ESG) Report, which received a rating of “Five-Star Excellence” from the Chinese Expert Committee on CSR Report Rating. We benchmarked against domestic and international standards, strengthened comparative analysis with MSCI and other mainstream rating agencies to promote targeted improvements, resulting in an upgrade of our MSCI ESG rating from “B” to “BBB”. Meanwhile, we actively responded to the local regulatory pilot deployment, improved the sustainable information disclosure management process and data system, becoming one of the first batch of sustainable information disclosure pilot enterprises selected by the Ministry of Finance and an excellent pilot enterprise of the first batch for sustainable information disclosure and application in Beijing. In addition, the Company continued to improve the ESG governance mechanism, clarified division of responsibilities, strengthened risk prevention and control in key areas, and also advanced green construction, energy conservation and carbon reduction, safe production, employee career development and supply chain ESG management. In doing so, we enhanced recognition from market investors and improved brand reputation, laying a sustainable foundation for the Company’s long-term steady development.

The Integrated Protection and Restoration Project of Mountains, Water, Forests, Fields, Lakes, Grasses, and Sands in Honghu, Hubei Province has passed the acceptance inspection. The main construction activities of the project include the reclamation of 4.8 million cubic meters of ecological patches, the planting of 150,000 trees, the restoration of 3 million square meters of aquatic plants, the treatment of 9,000 mu of aquaculture effluent, the rehabilitation of over 270 kilometers of ecological ditches, and the ecological restoration of a landfill site. Upon completion, the project will comprehensively improve the ecological environment of the Honghu Lake basin, further enhance the ecological regulation function of the Honghu Lake wetland, and contribute to the construction of an ecological barrier in the middle reaches of the Yangtze River.



INDEPENDENT AUDITOR'S REPORT



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To the shareholders of China Communications Construction Company Limited

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

OPINION

We have audited the consolidated financial statements of China Communications Construction Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 122 to 255, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") 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 International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. 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 Hong Kong Institute of Certified Public Accountants' *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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

How our audit addressed the key audit matter

Recognition of revenue from construction services

The Group derives most of its revenue from construction services and accounts for such revenue by measuring progress towards the completion of the performance obligations ("measuring progress"). The measuring progress method involves the use of significant judgements and estimates, including estimates of total contract revenue and total contract cost. The management of the Group will continue to reappraise items such as total contract revenue, total cost according to the scope of deliveries and services required, and the remaining cost to completion. In addition, revenue and cost realised on such contracts can vary (sometimes significantly) from the Group's original estimates because of changes in conditions.

The accounting policies and disclosures for the recognition of revenue from construction services are included in notes 2.4, 3, and 5 to the financial statements.

We evaluated and tested the Group's internal controls over the process to recognise revenue, including the records of expected contract costs and contract revenue, and revenue recognised based on the measurement of the progress towards satisfaction of the performance obligations. We selected material construction contracts to review key contract terms and checked the expected total contract revenue and contract costs. We examined the contract costs incurred on a sample basis by tracing them to related documents. We performed cut-off testing procedures to check if the costs had been recognised in the appropriate accounting period. We re-calculated the proportion of the actual costs incurred relative to the estimated total cost and the revenue recognised under the measuring progress method. In addition, we performed analytical procedures on the gross margins of material construction contracts of the Group.

We assessed the adequacy of the disclosures of revenue recognition from construction services.

Impairment of contract assets, trade receivables and long-term receivables

The impairment of contract assets, trade receivables and long-term receivables was recognised based on the allowance for expected credit loss ("ECL"). The management of the Group determines the ECLs for contract assets, trade receivables and long-term receivables based on historical information of the settlement of contract assets and the collection of trade receivables and long-term receivables, customers' creditworthiness, and forward-looking economic conditions, involving the use of significant judgements and estimates.

The accounting policies and disclosures for the impairment of contract assets, trade receivables and long-term receivables are included in notes 2.4, 3, 24 and 25 to the financial statements.

We evaluated and tested the Group's internal controls over the process of recognising the allowance for ECLs of contract assets, trade receivables and long-term receivables. We reviewed the management's analysis of historical information of the settlement of contract assets and the collection of trade receivables and long-term receivables. We tested the accuracy of the ageing of trade receivables and long-term receivables balances by tracing details to related documents on a sample basis. We evaluated the management's credit risk assessment of contract assets, trade receivables and long-term receivables.

We assessed the adequacy of the disclosures of the impairment of contract assets, trade receivables and long-term receivables.

Impairment assessment of concession assets

For concession assets with indications of impairment, the management of the Group performed impairment tests to revalue the recoverable amounts of such concession assets.

The recoverable amounts of such assets are determined using the discounted cash flow method which requires the Group to make assumptions, including future expectations for the traffic volume, necessary maintenance and operating costs incurred for the concession assets, and discount rates. The assessment of recoverable amounts performed by the management of the Group with the assistance of management specialists involves significant judgements and estimation.

The accounting policies and disclosures for the impairment assessment of concession assets are included in notes 2.4, 3 and 17 to the financial statements.

We evaluated and tested the Group's internal controls over the process of impairment assessment on concession assets. We evaluated the competence, capabilities and objectivity of management's specialists employed by the Group. We obtained an understanding of the work of management's specialists and evaluated the appropriateness of the models and assumptions used by the management specialists. We involved internal valuation specialists to assist us in evaluating the models and the inputs used, such as the discount rates. We reviewed the basis and assumptions used in the cash flow forecasts, including the forecasted traffic volume, the operational performance of these concession assets and the development plan for the relevant areas in which these concession assets operated. We also compared the prior year's forecast with the Group's actual performance in 2025. We also evaluated the reasonableness of the discount rates.

We assessed the adequacy of the disclosures of impairment assessment of concession assets.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kit (practising certificate number: P04453).

Ernst & Young
Certified Public Accountants

Hong Kong
30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
Revenue	4, 5	726,636	768,243
Cost of sales		(646,078)	(675,640)
Gross profit		80,558	92,603
Other income	5	7,212	6,239
Other losses, net	5	(620)	(1,084)
Selling and marketing expenses		(3,299)	(3,091)
Administrative expenses		(42,551)	(45,239)
Impairment losses on financial and contract assets, net		(7,859)	(7,041)
Other expenses		(4,316)	(3,080)
Operating profit		29,125	39,307
Finance income	7	22,845	24,241
Finance costs, net	8	(22,630)	(24,038)
Share of profits and losses of:			
– Joint ventures		(1,729)	(1,884)
– Associates		(13)	(463)
Profit before tax	6	27,598	37,163
Income tax expense	11	(6,540)	(6,344)
Profit for the year		21,058	30,819
Attributable to:			
– Owners of the parent		14,995	23,854
– Non-controlling interests		6,063	6,965
		21,058	30,819
Earnings per share attributable to ordinary equity holders of the parent	13		
Basic		RMB0.86	RMB1.40
Diluted		RMB0.86	RMB1.40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB million	2024 RMB million
Profit for the year	21,058	30,819
Other comprehensive income/(losses)		
<i>Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods, net of tax:</i>		
Actuarial losses on retirement benefit obligations, net of tax	(13)	(40)
Share of other comprehensive losses of joint ventures and associates	(8)	(9)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	832	5,306
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	811	5,257
<i>Other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods, net of tax:</i>		
Cash flow hedges, net of tax	(22)	33
Share of other comprehensive income/(losses) of joint ventures and associates	10	(274)
Exchange differences on translation of foreign operations	(340)	(913)
Net other comprehensive losses that may be reclassified to profit or loss in subsequent periods	(352)	(1,154)
Other comprehensive income for the year, net of tax	459	4,103
Total comprehensive income for the year	21,517	34,922
Attributable to:		
– Owners of the parent	15,446	27,975
– Non-controlling interests	6,071	6,947
	21,517	34,922

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB million	31 December 2024 RMB million
Non-current assets			
Property, plant and equipment	14	80,593	80,029
Investment properties	15	9,734	8,242
Right-of-use assets	16(a)	21,350	21,697
Intangible assets	17	228,135	197,233
Investments in joint ventures	18	54,565	59,978
Investments in associates	19	54,771	54,394
Financial assets at fair value through profit or loss	20	27,102	27,434
Derivative financial instruments	26	276	377
Debt investments at amortised cost		541	402
Equity investments designated at fair value through other comprehensive income	21	26,951	27,180
Contract assets	24	342,226	307,506
Trade and other receivables	25	290,123	273,340
Deferred tax assets	31	12,824	11,535
Total non-current assets		1,149,191	1,069,347
Current assets			
Inventories	23	114,705	102,134
Contract assets	24	243,493	206,240
Trade and other receivables	25	360,041	336,611
Financial assets at fair value through profit or loss	20	633	497
Debt investments at amortised cost		-	920
Derivative financial instruments	26	13	42
Restricted bank deposits and time deposits with an initial term of over three months	27	11,226	7,507
Cash and cash equivalents	27	139,830	134,974
Total current assets		869,941	788,925
Current liabilities			
Trade and other payables	28	663,461	635,310
Contract liabilities	29	102,566	85,270
Derivative financial instruments	26	34	-
Tax payable		6,242	7,307
Interest-bearing bank and other borrowings	30	200,280	140,826
Retirement benefit obligations	32	88	95
Total current liabilities		972,671	868,808
Net current liabilities		(102,730)	(79,883)
Total assets less current liabilities		1,046,461	989,464

Continued/...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB million	31 December 2024 RMB million
Total assets less current liabilities		1,046,461	989,464
Non-current liabilities			
Trade and other payables	28	76,605	62,974
Interest-bearing bank and other borrowings	30	487,202	445,497
Deferred income		1,723	1,493
Deferred tax liabilities	31	8,068	7,549
Retirement benefit obligations	32	744	844
Provision	33	4,232	3,292
Total non-current liabilities		578,574	521,649
Net assets		467,887	467,815
Equity			
Equity attributable to owners of the parent			
Share capital	34	16,275	16,279
Share premium		20,092	20,109
Treasury shares		(667)	(597)
Financial instruments classified as equity	36	22,200	31,000
Reserves	37	253,026	246,634
Non-controlling interests		310,926	313,425
		156,961	154,390
Total equity		467,887	467,815

Song Hailiang
Director

Zhang Bingnan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

Notes	Attributable to owners of the parent								
	Share capital	Treasury shares	Share premium	Financial instruments classified as equity ⁽¹⁾	Other reserves	Retained earnings	Total	Non-controlling interests ⁽²⁾	Total equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 31 December 2024 and 1 January 2025	16,279	(597)	20,109	31,000	51,552*	195,082*	313,425	154,390	467,815
Profit for the year	-	-	-	-	-	14,995	14,995	6,063	21,058
Other comprehensive income/(losses) for the year:									
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	839	-	839	(7)	832
Cash flow hedges, net of tax	-	-	-	-	(22)	-	(22)	-	(22)
Share of other comprehensive income of joint ventures and associates	-	-	-	-	3	-	3	(1)	2
Actuarial losses on retirement benefit obligations, net of tax	-	-	-	-	(13)	-	(13)	-	(13)
Exchange differences on translation of foreign operations	-	-	-	-	(356)	-	(356)	16	(340)
Total comprehensive income for the year	-	-	-	-	451	14,995	15,446	6,071	21,517
Final 2024 and mid-term 2025 dividend declared	37	-	-	-	-	(4,544)	(4,544)	-	(4,544)
Interest distribution on perpetual securities ⁽¹⁾⁽²⁾		-	-	-	-	(659)	(659)	(2,657)	(3,316)
Share-based payment	35	-	-	-	(148)	-	(148)	-	(148)
Forfeiture of restricted shares		(4)	21	(17)	-	-	-	-	-
Restricted shares repurchase obligation		-	166	-	-	-	166	-	166
Dividends to non-controlling shareholders		-	-	-	-	-	-	(3,114)	(3,114)
Share of other reserves of joint ventures and associates		-	-	-	57	-	57	-	57
Shares repurchased		-	(257)	-	-	-	(257)	(15,270)	(15,527)
Withdrawal of capital by non-controlling shareholders		-	-	-	-	-	-	(1,701)	(1,701)
Capital contribution from non-controlling shareholders		-	-	-	-	-	-	1,601	1,601
Acquisition of subsidiaries	41(a)	-	-	-	-	-	-	540	540
Disposal of subsidiaries	42	-	-	-	-	-	-	(1,231)	(1,231)
Issue of perpetual securities		-	-	15,500	(15)	-	15,485	51,368	66,853
Redemption of perpetual securities		-	-	(24,300)	-	-	(24,300)	(36,730)	(61,030)
Transaction with non-controlling interests		-	-	-	(3,745)	-	(3,745)	3,694	(51)
Transfer to statutory surplus reserve	37(a)	-	-	-	1,732	(1,732)	-	-	-
Transfer from general reserve	37(b)	-	-	-	(91)	91	-	-	-
Transfer to safety production reserve	37(c)	-	-	-	244	(244)	-	-	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income		-	-	-	(741)	741	-	-	-
At 31 December 2025	16,275	(667)	20,092	22,200	49,296*	203,730*	310,926	156,961	467,887

* As at 31 December 2025, these reserve accounts comprise the consolidated reserves of RMB253,026 million (2024: RMB246,634 million) in the consolidated statement of financial position.

(1) As of 31 December 2025, perpetual securities of RMB22,200 million (2024: RMB31,000 million) issued by the Company were classified as equity in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the Company totalled RMB659 million.

(2) As of 31 December 2025, perpetual securities of RMB102,342 million (2024: RMB87,661 million) issued by subsidiaries of the Company were classified as non-controlling interests in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the subsidiaries of the Company totalled RMB2,657 million.

Continued/...

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Attributable to owners of the parent							Non-controlling interests	Total equity
		Share capital	Treasury shares	Share premium	Financial instruments classified as equity	Other reserves	Retained earnings	Total		
		RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
At 31 December 2023		16,264	(522)	20,049	35,000	49,721	181,222	301,734	157,390	459,124
Business combination under common control		-	-	-	-	39	(6)	33	43	76
At 1 January 2024 (restated)		16,264	(522)	20,049	35,000	49,760	181,216	301,767	157,433	459,200
Profit for the year		-	-	-	-	-	23,854	23,854	6,965	30,819
Other comprehensive income/(losses) for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		-	-	-	-	5,307	-	5,307	(1)	5,306
Cash flow hedges, net of tax		-	-	-	-	33	-	33	-	33
Share of other comprehensive income of joint ventures and associates		-	-	-	-	(283)	-	(283)	-	(283)
Actuarial losses on retirement benefit obligations, net of tax		-	-	-	-	(35)	-	(35)	(5)	(40)
Exchange differences on translation of foreign operations		-	-	-	-	(901)	-	(901)	(12)	(913)
Total comprehensive income for the year		-	-	-	-	4,121	23,854	27,975	6,947	34,922
Final 2023 and Mid-term 2024 dividend declared	37	-	-	-	-	-	(7,042)	(7,042)	-	(7,042)
Interest distribution on perpetual securities		-	-	-	-	-	(1,570)	(1,570)	(2,673)	(4,243)
Share-based payment	35	-	-	-	-	240	-	240	-	240
Grant of restricted shares		16	-	67	-	-	-	83	-	83
Forfeiture of restricted shares		(1)	8	(7)	-	-	-	-	-	-
Restricted shares repurchase obligation		-	(83)	-	-	-	-	(83)	-	(83)
Dividends to non-controlling shareholders		-	-	-	-	-	-	-	(3,065)	(3,065)
Share of other reserves of joint ventures and associates		-	-	-	-	28	-	28	-	28
Shares repurchased		-	-	-	-	-	-	-	(12,065)	(12,065)
Withdrawal of capital by non-controlling shareholders		-	-	-	-	-	-	-	(2,984)	(2,984)
Capital contribution from non-controlling shareholders		-	-	-	-	-	-	-	5,286	5,286
Business combination under common control		-	-	-	-	(66)	-	(66)	35	(31)
Acquisition of subsidiaries		-	-	-	-	-	-	-	457	457
Acquisition of assets		-	-	-	-	-	-	-	13	13
Disposal of subsidiaries		-	-	-	-	-	-	-	(614)	(614)
Issue of perpetual securities		-	-	-	3,000	(1)	-	2,999	28,196	31,195
Redemption of perpetual securities		-	-	-	(5,900)	-	-	(5,900)	(26,197)	(32,097)
Transaction with non-controlling interests		-	-	-	-	(3,906)	-	(3,906)	3,530	(376)
Transfer to statutory surplus reserve	37(a)	-	-	-	-	1,420	(1,420)	-	-	-
Transfer to general reserve	37(b)	-	-	-	-	550	(550)	-	-	-
Transfer to safety production reserve	37(c)	-	-	-	-	470	(470)	-	-	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income		-	-	-	-	(1,064)	1,064	-	-	-
Other		-	-	-	(1,100)	-	-	(1,100)	91	(1,009)
At 31 December 2024		16,279	(597)	20,109	31,000	51,552*	195,082*	313,425	154,390	467,815

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
Cash flows from operating activities			
Profit before tax		27,598	37,163
Adjustments for:			
– Depreciation of property, plant and equipment and investment properties	6	9,127	8,224
– Depreciation of right-of-use assets	6	1,912	1,767
– Amortisation of intangible assets	6	3,867	3,408
– Gains on disposal of items of property, plant and equipment, intangible assets and other long-term assets	5	(219)	(307)
– Gains on disposal of joint ventures and associates	5	(1,029)	(273)
– Fair value losses on financial assets at fair value through profit or loss	5	905	1,084
– Fair value losses/(gains) on derivative financial instruments	5	94	(7)
– (Gains)/losses on disposal of financial assets at fair value through profit or loss	5	(550)	10
– Gains on disposal of subsidiaries	5	(1,253)	(2,219)
– Dividend income from financial assets at fair value through profit or loss	5	(363)	(337)
– Dividend income from equity investments designated at fair value through other comprehensive income	5	(1,028)	(1,073)
– Other income from investing activities		(89)	(168)
– Share of losses of joint ventures and associates, net	18, 19	1,742	2,347
– Write-down of inventories to net realisable value	6	1,087	790
– Provision for impairment of contract assets	6	667	909
– Provision for impairment of trade and other receivables	6	7,192	6,132
– Provision for impairment of property, plant and equipment	14	432	30
– Provision for impairment of goodwill		1	–
– Interest income	7	(22,845)	(24,241)
– Interest expenses	8	20,673	22,002
– Equity-settled share-based payment		(148)	240
– Net foreign exchange losses/(gains) on borrowings	8	62	(85)
		47,835	55,396
Increase in inventories		(11,632)	(9,115)
Increase in trade and other receivables		(42,895)	(74,304)
Increase in contract assets		(52,794)	(66,214)
(Increase)/decrease in restricted bank deposits		(4,215)	413
Increase in trade and other payables		46,603	81,566
Increase in contract liabilities		17,610	11,464
Decrease in retirement benefit obligations		(107)	(70)
Increase in provision		940	89
Increase/(decrease) in deferred income		230	(140)
Cash from/(used in) operations		1,575	(915)
Interest income from operating activities		22,118	23,102
Income tax paid		(8,360)	(9,681)
Net cash flows from operating activities		15,333	12,506

Continued/...

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
Net cash flows from operating activities		15,333	12,506
Cash flows from investing activities			
Purchases of items of property, plant and equipment		(13,419)	(13,295)
Purchases of investment properties		-	(1)
Additions to right-of-use assets		(440)	(671)
Purchases of intangible assets		(22,988)	(13,301)
Proceeds from disposal of items of property, plant and equipment		816	1,244
Proceeds from disposal of right-of-use assets		553	44
Proceeds from disposal of investment properties		-	180
Proceeds from disposal of intangible assets		80	90
Business combination	41(a)	(3,217)	(1,007)
Asset acquisition	41(b)	(2,066)	(841)
Investments in associates		(2,624)	(2,980)
Investments in joint ventures		(5,623)	(5,394)
Disposal of subsidiaries	42	6,157	5,559
Other changes in scope of consolidation		-	(7)
Disposal of joint ventures and associates		5,659	1,892
Purchases of equity investments designated at fair value through other comprehensive income		(398)	(491)
Purchases of financial assets at fair value through profit or loss		(10,728)	(15,983)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		1,620	1,481
Proceeds from disposal of financial assets at fair value through profit or loss		9,712	13,818
Purchases of debt instruments		(202)	(205)
Loans to joint ventures, associates and third parties		(11,294)	(14,616)
Repayment of loans from joint ventures, associates and third parties		6,233	6,854
Interest received		174	372
Changes in time deposits with an initial term of over three months		495	2,810
Cash consideration from operation of concession assets		3,627	2,122
Dividends received		2,376	2,585
Proceeds from other investment activities		986	122
Net cash flows used in investing activities		(34,511)	(29,619)
Cash flows from financing activities			
Capital contribution from non-controlling shareholders		1,601	5,286
Withdrawal of capital contribution by non-controlling interests		(16,971)	(15,049)
Dividends paid to non-controlling shareholders		(3,068)	(734)
Dividends paid to equity holders of the parent		(4,938)	(7,042)
Proceeds from issue of perpetual securities		66,853	31,195
Interest paid for perpetual securities		(3,735)	(4,418)
Redemption of perpetual securities		(61,030)	(32,097)
Proceeds from bank and other borrowings		388,777	464,758
Repayments of bank and other borrowings		(318,936)	(375,628)
Interest paid for bank and other borrowings		(22,288)	(22,982)
Transaction with non-controlling interests		(87)	(86)
Stock repurchase		(257)	(8)
Cash paid for business combination under common control		-	(31)
Increase in an amount due to the ultimate holding company		-	83
Principal portion of lease payments		(1,847)	(1,607)
Net cash flows from financing activities		24,074	41,640
Net increase in cash and cash equivalents		4,896	24,527
Cash and cash equivalents at beginning of year	27	134,974	110,407
Effect of foreign exchange rate changes, net		(40)	40
Cash and cash equivalents at end of year	27	139,830	134,974

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

China Communications Construction Company Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 8 October 2006 as a joint stock company with limited liability under the Company Law of the PRC as part of the group reorganisation of China Communications Construction Group (Limited) (“CCCC”), the parent company and a state-owned enterprise established in the PRC. The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 15 December 2006 and the A shares of the Company were listed on the Shanghai Stock Exchange on 9 March 2012. The address of the Company’s registered office is 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC.

The Company and its subsidiaries (together, the “Group”) are principally engaged in infrastructure construction, infrastructure design and dredging businesses.

In the opinion of the directors, the immediate and ultimate holding company of the Company is CCCC, which was established in the PRC.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital <i>(in million)</i>	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Unlisted						
China Harbour Engineering Co., Ltd. (“CHEC”)	PRC and other regions	Limited liability company	RMB6,000	50.10%	49.90%	Infrastructure construction
China Road and Bridge Corporation (“CRBC”)	PRC and other regions	Limited liability company	RMB6,000	99.64%	0.36%	Infrastructure construction
CCCC First Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB7,295	91.20%	–	Infrastructure construction
CCCC Second Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB5,329	87.76%	–	Infrastructure construction
CCCC Third Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB6,021	92.87%	–	Infrastructure construction
CCCC Fourth Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB4,966	100.00%	–	Infrastructure construction
CCCC First Highway Engineering Group Co., Ltd.	PRC	Limited liability company	RMB7,659	81.54%	–	Infrastructure construction
CCCC Second Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB3,942	88.63%	–	Infrastructure construction
Road & Bridge International Co., Ltd.	PRC	Limited liability company	RMB3,974	84.57%	–	Infrastructure construction
CCCC Third Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB2,156	70.00%	–	Infrastructure construction
CCCC Construction Group Co., Ltd.	PRC	Limited liability company	RMB2,177	83.70%	–	Infrastructure construction
CCCC Water Transportation Consultants Co., Ltd.	PRC	Limited liability company	RMB818	100.00%	–	Infrastructure design
CCCC Highway Engineering Consultants Corporation	PRC	Limited liability company	RMB750	100.00%	–	Infrastructure design

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NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital <i>(in million)</i>	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC First Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB723	100.00%	–	Infrastructure design
CCCC Second Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB428	100.00%	–	Infrastructure design
CCCC Third Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB731	100.00%	–	Infrastructure design
CCCC Fourth Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB630	100.00%	–	Infrastructure design
CCCC Dredging (Group) Co., Ltd. ("CCCC Dredging")	PRC	Limited liability company	RMB11,775	99.90%	0.10%	Dredging
CCCC Investment Co., Ltd.	PRC	Limited liability company	RMB12,500	100.00%	–	Investment holding
CCCC Xi'an Road Construction Machinery Co., Ltd.	PRC	Limited liability company	RMB433	54.31%	45.69%	Manufacture of road construction machinery
China Highway Vehicle & Machinery Co., Ltd.	PRC	Limited liability company	RMB168	100.00%	–	Trading of motor vehicle spare parts
Chuwa Bussan Co., Ltd. ("Chuwa Bussan")	Japan	Limited liability company	JPY100	99.94%	–	Trading of machinery
CCCC Shanghai Equipment Engineering Co., Ltd.	PRC	Limited liability company	RMB10	55.00%	–	Maintenance and design of port machinery
CCCC Mechanical & Electrical Engineering Co., Ltd.	PRC	Limited liability company	RMB833	60.00%	40.00%	Infrastructure construction
China Communications Materials & Equipment Co., Ltd.	PRC	Limited liability company	RMB1,734	100.00%	–	Trading of construction materials and equipment
CCCC Finance	PRC	Limited liability company	RMB7,000	95.00%	–	Financial services
CCCC International Holding Limited ("CCCI")	Hong Kong	Limited liability company	HKD3,882	71.36%	28.64%	Investment holding
CCCC Capital Holdings Limited ("CCCC Capital")	PRC	Limited liability company	RMB10,000	100.00%	–	Fund management and financial leasing

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NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital <i>(in million)</i>	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC Urban Investment Holding Co., Ltd.	PRC	Limited liability company	RMB10,000	100.00%	–	Investment holding
CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd.	PRC	Limited liability company	RMB1,277	81.52%	11.74%	Machinery and equipment manufacturing
CCCC Changjiang Construction and Development Group Co., Ltd.	PRC	Limited liability company	RMB2,667	51.00%	23.98%	Infrastructure construction
CCCC South China Construction and Development Co., Ltd.	PRC	Limited liability company	RMB923	100.00%	–	Infrastructure construction
CCCC Design Consulting Group Co., Ltd.	PRC	Limited liability company	RMB2,295	48.41%	2.33%	Infrastructure design
Gansu Qilianshan Cement Group Co., Ltd.	PRC	Limited liability company	RMB1,200	85.00%	–	Cement sales
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	PRC	Limited liability company	RMB4,904	45.00%	6.00%	Infrastructure construction
Forsea Holdings PTE. Ltd.	Singapore	Limited liability company	SGD0.30	100.00%	–	Infrastructure construction

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest million except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

The Group had net current liabilities of RMB102,730 million as at 31 December 2025. Having considered the Group’s cash flow projections for the year ending 31 December 2026, including the Group’s cash position, cash flows from operating, investing and financing activities, and the unutilised bank facilities as at the date of this report, the directors of the Company are satisfied that the Group is able to meet its financial obligations in full as they fall due for the coming 12 months. Accordingly, these financial statements have been prepared on a going concern basis.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

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

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

2.3 Issued but not yet effective IFRS Accounting Standards

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

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

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3. Issued but not yet effective IFRS Accounting Standards (continued)

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

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

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

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

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3. Issued but not yet effective IFRS Accounting Standards (continued)

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

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Material accounting policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method, except for those acquisitions which are considered as a business combination under common control in a manner similar to pooling-of-interest.

Merger accounting for common control combinations

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

The net assets of the combining entities or businesses are combined using the existing book values from the ultimate controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirer's interest in the net fair value of the acquiree identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the ultimate controlling party's interest.

The consolidated statement of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Merger accounting for common control combinations (continued)

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

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders and costs incurred in combining operations of the previously separate businesses and incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as expenses in the year in which they are incurred.

Acquisition method of accounting for non-common control combinations

The Group applies the acquisition method to account for non-common control business combinations. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Acquisition method of accounting for non-common control combinations (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments, equity investments and certain other financial assets at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment of non-financial assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

– Buildings	20 to 40 years
– Machinery	5 to 20 years
– Vessels	10 to 25 years
– Vehicles	5 years
– Other equipment	2 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment, investment properties and intangible assets when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method to write off the cost less accumulated impairment loss of the asset over its estimated useful life.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

NOTES TO FINANCIAL STATEMENTS

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2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Concession assets

The Group is engaged in certain service concession arrangements in which the Group carries out construction work (e.g., toll highways, bridges and ports) in exchange for a right for the Group to operate the asset concerned in accordance with pre-established conditions set by the granting authority. In accordance with IFRIC Interpretation 12 Service Concession Arrangements (IFRIC 12), the assets under the concession arrangements may be classified as intangible assets or financial assets. The assets are classified as intangibles if the operator receives a right (a licence) to charge users of the public service or as financial assets if the operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as "concession assets" within intangible assets on the statement of financial position if the intangible asset model is adopted. Such concession assets represent the consideration received for its construction service rendered. Once the underlying infrastructure of the concession arrangements is completed, the concession assets are amortised over the term of the concession using the traffic flow method or straight-line method under the intangible asset model.

Trademarks, patents, proprietary technologies and copyrights

Separately acquired trademarks, patents, proprietary technologies and copyrights are shown at historical cost. Trademarks, patents, proprietary technologies and copyrights acquired in a business combination are recognised at fair value at the acquisition date. Trademarks, patents, proprietary technologies and copyrights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

Computer software

Computer software is measured on initial recognition cost and amortised over the estimated useful life of 1 to 10 years.

Research and development costs

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 years to indefinite
Buildings	1 to 10 years
Vessels	1 to 25 years
Vehicles	2 to 3 years
Machinery	1 to 5 years
Other equipment	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". When a right-of-use asset meets the definition of investment property, it is included in investment properties.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for leases of low-value assets to leases of value below RMB50,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sale and leaseback transactions with variable lease payments that do not depend on an index or a rate where the Group acts as a seller-lessee. For sale and leaseback transactions with variable lease payments that do not depend on an index or a rate, lease liabilities are recognised at the commencement date of the leasebacks at the present value of expected lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the expected lease payments. Any differences between the payments made for the lease and the lease payments that reduce the carrying amount of lease liabilities are recognised in profit or loss.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs) and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases is recognised in the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss(continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

NOTES TO FINANCIAL STATEMENTS

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2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank and other borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, total return swaps, forward equity contracts and foreign exchange option. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Financial instruments classified as equity

Financial instruments issued by the Group are classified as equity instruments when all the following conditions have been met:

- The financial instruments have no contractual obligation to pay cash or other financial assets to others, nor to exchange financial assets or liabilities with others under potential unfavourable circumstances;
- The financial instruments will or may be settled in the Group’s own equity instruments: if the financial instrument is non-derivative, it should not have the contractual obligation to be settled by the Group delivering a variable number of its own equity instruments; if the financial instrument is derivative, it should solely be settled by the Group delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or other financial assets.

Financial instruments classified as equity instruments are recognised initially at fair value, net of transaction costs incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories comprise raw materials, work in progress, properties under development, completed properties held for sale and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour, other direct costs and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Development cost of properties comprises cost of land use rights, construction costs and borrowing costs eligible for capitalisation incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion. Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the provision of construction services during the warranty period. Provision for these assurance-type warranties granted by the Group is initially recognised based on the best estimates of the Group, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Construction services*

Revenue from the provision of infrastructure construction services is recognised over time, using an input method to measure progress toward satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the most likely amount or the expected value method to estimate the amounts of claims, whichever more appropriate, to best predict the amount of variable consideration to which the Group will be entitled.

(b) *Provision of design and other services*

Revenue from the provision of infrastructure design and other services is recognised over time, using an input method to measure progress toward satisfaction of the service, because the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

(c) *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(d) *Significant financing component*

For contracts that include a significant financing component, the Group adjusts the promised amount of consideration for the effects of a significant financing component and recognise revenue as the "cash selling price" of the underlying goods or services at the time of transfer. The "cash selling price" is generated by discounting the promised amount of consideration using the effective interest rate. The Group selects to use the practical expedient that it will not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(e) *Warranties*

As required by law or agreed in the contract terms, the Group provides assurance-type warranties that promise the customers that the assets created in the construction services are as specified in the construction contracts. The Group recognises such assurance-type warranties as provisions. For the warranties that include services to customers in addition to assurance that the assets created are as specified in the contracts, the Group identifies such service-type warranties as separate performance obligations and allocates the transaction prices between the construction services and service-type warranties using the proportion of their stand-alone selling prices. The Group recognises the revenue of service-type warranties when customers obtain control of the services. In assessing whether a warranty includes a service to the customer in addition to the assurance that the asset created in the construction services complies with the agreed specifications, the Group considers factors including whether the warranty is required by law, the length of the warranty coverage period, and the nature of the tasks that the entity promises to perform.

(f) *Principal versus agent*

The Group determines whether it is a principal or an agent in the transactions by evaluating whether it controls each specified good or service before that good or service is transferred to the customer. The Group is a principal and recognises revenue in the gross amount of consideration received or receivable if it controls the specified good or service before that good or service is transferred to a customer. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined by certain agreed amounts or proportions.

(g) *Contract modifications*

When the construction contract between the Group and the customers is modified:

- (i) if the creation of new construction service and contract price are separately identified, and the new contract price reflects the separate selling price of the new construction service, the Group will treat the contract modification as a separate contract for accounting;
- (ii) if the contract modification does not belong to the above situation (i), and there is a clear distinction between transferred construction services and non-transferred construction services at the date of contract modification, the Group will regard it as the termination of the original contract. Meanwhile, the unperformed part of the original contract and the part of contract modification will be merged into a new contract for accounting;
- (iii) if the contract does not belong to the above situation (i), and there is no clear distinction between transferred construction services and non-transferred construction services at the date of contract modification, the Group will treat the part of modification as the component of original contract for accounting. The effect that the contract modification has on the transaction price is recognised as an adjustment to revenue at the date of the contract modification.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Offsetting of contract assets and contract liabilities

Contract assets and contract liabilities are offset and the net amount is reported in the statement of financial position if they belong to the same contract.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset related. Other contract costs are expensed as incurred.

Share-based payments

The Company operates a share scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by the quoted price on the grant date in the active market, further details of which are given in note 35 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding scheme is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension obligations.

Past-service costs are recognised immediately in the consolidated statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the full-time employees of the Group in the PRC excluding Hong Kong and Macau ("Chinese mainland") are covered by government-sponsored or privately administered pension plans under which the employees are entitled to a monthly pension based on certain formula. The Group pays contributions to these pension plans monthly, on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been made. The contributions are recognised as employee benefit expense as incurred.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries or jurisdictions outside Chinese mainland. Employees' and employers' contributions are calculated based on various percentages of employees' gross salaries of fixed sums and length of service.

(b) Other post-employment obligations

The Group provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Other employee benefits (continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Housing funds

All full-time employees of the Group in Chinese mainland are entitled to participate in various government sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(e) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Measurement of progress toward complete satisfaction of construction services

The Group uses input method to measure the progress toward satisfaction of the performance obligations, and specifically, the proportion of actual construction costs incurred relative to the estimated total costs. Actual construction costs incurred include direct and indirect costs in the process of transferring goods from the Group to customers. The Group believes that contract price is based on construction costs. Therefore, the proportion of actual construction costs incurred relative to the total expected costs can reflect the progress toward satisfaction of construction service. Since the duration of construction is relatively long that it may cover more than one accounting period, the Group will review and revise the budget as the contract carries forward, and adjust revenue accordingly.

Business model

The classification of financial assets upon initial recognition depends on the business model of the Group for managing financial assets. In judging the business model, the Group considers the way of internal evaluating and reporting to key management personnel the performance of financial assets, the risks affecting the performance of financial assets and the way those risks are managed, as well as the way in which relevant business management personnel are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group needs to consider the frequency, value and timing of sales before the maturity dates if any.

Contractual cash flow characteristics

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of financial assets. It is necessary to judge whether the contractual terms only give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, whether there are significant differences compared with the benchmark cash flow when evaluating the correction of the time value of money, and whether the fair value of the prepayment feature is insignificant for financial assets that include prepayment feature, etc.

Determination of control over structured entities

The Group invested in several structured entities which were mainly engaged in infrastructure investment activities. Based on the assessment following the basis of consolidation and accounting policies set out in notes 2.1, the Group has consolidated certain structured entities that it has control. For the investments that the Group has joint control on, they are accounted for as joint ventures in accordance with IAS 28 *Investments in Associates and Joint Ventures*. Equities held indirectly through venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds are accounted for as financial assets at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. Judgement is involved when performing the assessment. Should those joint ventures and financial assets through profit or loss be consolidated, net assets, revenue and profit of the Group could be affected.

Management applies its judgement to determine whether the control indicators set out in note 2.1 indicate that the Group controls a structured entity.

The Group acts as manager to a number of structured entities and also carries interests in these entities. Determining whether the Group controls such a structured entity usually focuses on the assessment of the aggregate economic interests of the Group in the entity (comprising any carried interest and expected management fees) and the decision-making authority of the entity.

Further disclosure in respect of unconsolidated structured entities in which the Group has an interest has been set out in note 22.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Financial instruments classified as equity

Certain financial instruments of the Group, such as preference shares, are classified as equity, as the following conditions have been met:

- (i) The financial instruments have no contractual obligation to pay cash or other financial assets to others, nor to exchange financial assets or liabilities with others under potential unfavourable circumstances; and
- (ii) For the financial instruments that will or may be settled in the Group's own equity instruments: if the financial instrument is non-derivative, it should not have the contractual obligation to be settled by the Group delivering a variable number of its own equity instruments; if the financial instrument is derivative, it should solely be settled by the Group delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or other financial assets.

Further details are disclosed in notes 36.

Determining whether an arrangement contains a lease

The Group entered into general equipment lease arrangements in some construction projects. According to these lease arrangements, there is no identified asset, or the supplier has substantive substitution rights for the general equipment. Thus, these general equipment lease arrangements do not contain a lease, and the Group take them as service acceptance.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for lease assets due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operation if a replacement is not readily available.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB27,156 million (2024: RMB26,198 million) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB5,831 million. Further details on deferred taxes are disclosed in note 31 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Impairment assessment on concession assets

The Group operates certain concession assets, and their impairment is reviewed whenever events or changes in circumstances indicate that the carrying amounts of the concession assets may not be recoverable in accordance with the accounting policy stated in note 2.4.

The recoverable amounts of the concession assets have been determined based on a value-in-use method. The value-in-use calculations require the use of estimates on discount rates and projections of cash flows from the traffic volume and other income, deducting the necessary maintenance and operating costs incurred for the concession assets.

Based on management's best estimates, as at 31 December 2025, the Group recognised an accumulated impairment of RMB299 million (2024: RMB299 million) to profit or loss for concession assets. Further details are disclosed in note 17.

Fair value of financial instruments

The fair values of listed financial instruments are based on quoted market prices, while the fair values of unlisted financial instruments have been estimated by the most appropriate valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Further details are included in note 47 to the financial statements.

Impairment of goodwill

The Group tests the goodwill for impairment at least annually. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

Based on management's best estimates, as at 31 December 2025, the Group recognised an accumulated impairment of RMB297 million (2024: RMB296 million) to profit or loss for goodwill. Details of the impairment test for goodwill are disclosed in note 17.

Provision for ECLs on contract assets, trade receivables and long-term receivables

The Group uses a provision matrix to calculate ECLs of the Group's contract assets, trade receivables and long-term receivables. The provision rates are based on the ageing or the days past due for groupings of various customer segments that have similar loss patterns (i.e., by product or service type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's contract assets, trade receivables and long-term receivables is disclosed in note 24 and note 25 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Infrastructure construction and design services

The recognition of revenue and cost of infrastructure construction and design services requires the management of the Group to make judgements and estimations. For onerous contracts, the present obligation under the contract must be recognised in the current period and measured as provisions, based on the estimated budgets and losses of the construction services. Because of the nature of the activity undertaken in construction, design and dredging businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

The Group also monitors the payment progress from customers against the contract terms, and periodically evaluates the creditworthiness of the customers. If circumstances arise that a customer would default on all or part of its payments or otherwise fail to fulfil its performance obligations under the contract terms, the Group will reassess the outcome of the relevant contract and may revise the relevant estimates. The revision will be reflected in the consolidated statement of profit or loss in the period in which the circumstances that give rise to the revision become known by the Group.

Income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

Pension benefits

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currencies in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. The key assumptions for pension obligations and sensitivity analysis of the discount rate are disclosed in note 32.

Depreciation of property, plant and equipment

Depreciation on the Group's property, plant and equipment is calculated using the straight-line method to allocate cost up to residual values over the estimated useful lives of the assets. Management reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. The accounting estimate of the useful lives of property, plant and equipment is based on historical experience, taking into account anticipated technological changes. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that actual outcomes in the next financial period are different from estimates made based on historical experience, and it could cause a material adjustment to the depreciation and carrying amount of the Group's property, plant and equipment. Further details are disclosed in note 14.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the President Office that are used to allocate resources to the operating segments and assess their performance.

The President Office considers the business from the service and product perspectives. Management assesses the performance of the following four operating segments:

- (a) infrastructure construction of ports, roads, bridges and railways, municipal and environmental engineering and others (the "Construction")
- (b) infrastructure design of ports, roads, bridges, railways and others (the "Design")
- (c) dredging (the "Dredging")
- (d) others

The President Office assesses the performance of the operating segments based on operating profit excluding unallocated income or costs. Other information provided to the President Office is measured in a manner consistent with that in the consolidated financial statements.

Sales between operating segments are carried out on terms with reference to the selling prices used for sales made to third parties. The revenue from external parties reported to the President Office is measured in a manner consistent with that in the consolidated statement of profit or loss.

Operating expenses of a functional unit are allocated to the relevant operating segment which is the predominant user of the services provided by the unit. Operating expenses of shared services which cannot be allocated to a specific operating segment and corporate expenses are included as unallocated costs.

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, intangible assets, inventories, receivables, contract assets, equity investments designated at fair value through other comprehensive income, debt investments at amortised cost, financial assets at fair value through profit or loss, derivative financial instruments, and cash and cash equivalents. They exclude deferred tax assets, investments in joint ventures and associates, the assets of the headquarters of the Company and the assets of CCCC Finance, a subsidiary of the Company.

Segment liabilities comprise primarily payables, derivative financial instruments, and contract liabilities. They exclude deferred tax liabilities, tax payable, borrowings, the liabilities of the headquarters of the Company and the liabilities of CCCC Finance.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Capital expenditure comprises mainly additions to property, plant and equipment (note 14), investment properties (note 15), right-of-use assets (note 16(a)) and intangible assets (note 17).

The segment results for the year ended 31 December 2025 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2025					
	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Eliminations RMB million	Total RMB million
Total gross segment revenue	650,150	36,511	54,191	24,289	(38,505)	726,636
Intersegment sales	(13,750)	(5,308)	(3,006)	(16,441)	38,505	-
Revenue (note 5)	636,400	31,203	51,185	7,848	-	726,636
Segment results	24,682	2,805	2,109	903	(106)	30,393
Unallocated loss						(1,268)
Operating profit						29,125
Finance income						22,845
Finance costs, net						(22,630)
Share of profits and losses of joint ventures and associates						(1,742)
Profit before tax						27,598
Income tax expense						(6,540)
Profit for the year						21,058
Other segment information						
Depreciation	7,397	485	1,182	1,975	-	11,039
Amortisation	3,660	53	17	137	-	3,867
Write-down of inventories	1,047	27	3	10	-	1,087
Impairment of property, plant and equipment	64	-	10	358	-	432
Impairment of intangible assets	1	-	-	-	-	1
Impairment losses on contract assets	573	10	84	-	-	667
Impairment losses on financial assets	5,326	1,279	252	335	-	7,192
Capital expenditure	31,319	798	2,343	2,061	-	36,521

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2024 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2024				Eliminations RMB million	Total RMB million
	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million		
Total gross segment revenue	682,603	36,287	59,461	26,064	(36,172)	768,243
Intersegment sales	(9,411)	(4,321)	(4,064)	(18,376)	36,172	-
Revenue (note 5)	673,192	31,966	55,397	7,688	-	768,243
Segment results	32,942	3,583	3,105	1,022	46	40,698
Unallocated loss						(1,391)
Operating profit						39,307
Finance income						24,241
Finance costs, net						(24,038)
Share of profits and losses of joint ventures and associates						(2,347)
Profit before tax						37,163
Income tax expense						(6,344)
Profit for the year						30,819
Other segment information						
Depreciation	6,990	452	1,097	1,452	-	9,991
Amortisation	3,317	42	13	36	-	3,408
Write-down of inventories	786	-	-	4	-	790
Impairment of property, plant and equipment	2	-	28	-	-	30
Impairment losses on contract assets	813	40	54	2	-	909
Impairment losses on financial assets	4,617	704	461	350	-	6,132
Capital expenditure	25,639	1,078	2,569	1,465	-	30,751

The amounts provided to the President Office with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are presented based on the operating segments they are associated with.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at 31 December 2025 are as follows:

	Year ended 31 December 2025					Total RMB million
	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Eliminations RMB million	
Segment assets	1,590,588	72,852	156,996	137,723	(142,230)	1,815,929
Investments in joint ventures						54,565
Investments in associates						54,771
Other unallocated assets						93,867
Total assets						2,019,132
Segment liabilities	711,927	35,879	84,447	13,420	(67,831)	777,842
Unallocated liabilities						773,403
Total liabilities						1,551,245

The segment assets and liabilities as at 31 December 2024 are as follows:

	Year ended 31 December 2024					Total RMB million
	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Eliminations RMB million	
Segment assets	1,387,493	70,407	145,244	129,782	(122,485)	1,610,441
Investments in joint ventures						59,978
Investments in associates						54,394
Other unallocated assets						133,459
Total assets						1,858,272
Segment liabilities	602,660	35,907	76,147	17,535	(64,889)	667,360
Unallocated liabilities						723,097
Total liabilities						1,390,457

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Chinese mainland	567,591	633,463
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	159,045	134,780
Total Revenue	726,636	768,243

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Chinese mainland	311,078	270,288
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	43,489	50,154
Total non-current assets	354,567	320,442

The non-current asset information above is based on the locations of the assets and excludes financial assets, investments in joint ventures and associates, deferred tax assets and contract assets.

Information about a major customer

No revenue derived from services or sales to a single customer amounted to 10% or more of the Group's revenue during 2025 and 2024.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Total RMB million
Types of goods or services					
Infrastructure construction services	606,867	14,499	8,949	432	630,747
Infrastructure design services	2,495	16,358	401	-	19,254
Dredging and filling services	-	-	38,630	-	38,630
Others	27,038	346	3,205	7,416	38,005
Total	636,400	31,203	51,185	7,848	726,636
Geographical markets					
Chinese mainland	489,950	26,865	43,091	7,685	567,591
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	146,450	4,338	8,094	163	159,045
Total	636,400	31,203	51,185	7,848	726,636
Timing of revenue recognition					
Services transferred over time	610,268	30,863	48,776	1,936	691,843
Services transferred at a point in time	8,228	-	-	-	8,228
Merchandise transferred at a point in time	17,904	340	2,409	5,912	26,565
Total	636,400	31,203	51,185	7,848	726,636

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2024

Segments	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Total RMB million
Types of goods or services					
Infrastructure construction services	643,650	14,701	10,165	429	668,945
Infrastructure design services	2,101	16,648	633	–	19,382
Dredging and filling services	–	–	40,858	–	40,858
Others	27,441	617	3,741	7,259	39,058
Total	673,192	31,966	55,397	7,688	768,243
Geographical markets					
Chinese mainland	548,509	30,667	46,922	7,365	633,463
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	124,683	1,299	8,475	323	134,780
Total	673,192	31,966	55,397	7,688	768,243
Timing of revenue recognition					
Services transferred over time	645,750	31,650	52,206	429	730,035
Services transferred at a point in time	6,757	–	–	–	6,757
Merchandise transferred at a point in time	20,685	316	3,191	7,259	31,451
Total	673,192	31,966	55,397	7,688	768,243

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2025

Segments	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Total RMB million
Revenue from contracts with customers					
External customers	636,400	31,203	51,185	7,848	726,636
Intersegment sales	13,750	5,308	3,006	16,441	38,505
Intersegment adjustments and eliminations	(13,750)	(5,308)	(3,006)	(16,441)	(38,505)
Total	636,400	31,203	51,185	7,848	726,636

For the year ended 31 December 2024

Segments	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Total RMB million
Revenue from contracts with customers					
External customers	673,192	31,966	55,397	7,688	768,243
Intersegment sales	9,411	4,321	4,064	18,376	36,172
Intersegment adjustments and eliminations	(9,411)	(4,321)	(4,064)	(18,376)	(36,172)
Total	673,192	31,966	55,397	7,688	768,243

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2025 RMB million	2024 RMB million
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction	31,158	24,049
Design	1,464	1,977
Dredging	1,002	1,558
Others	494	434
Total	34,118	28,018

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction, design and dredging services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over the period stipulated in the contracts.

Others

Others mainly include sale of goods. The performance obligation is satisfied upon delivery of the goods and payments are generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

The remaining performance obligations of those uncompleted contracts expected to be recognised relate to construction, design, dredging services and others that are to be satisfied within 1 to 5 years.

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31 December 2025

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Other income

	2025 RMB million	2024 RMB million
Rental income	1,368	1,272
Revenue from consulting services	543	696
Dividend income from equity investments designated at fair value through other comprehensive income		
– Listed equity instruments	1,014	1,041
– Unlisted equity instruments	14	32
Government grants	453	538
Dividend income from financial assets at fair value through profit or loss	363	337
Income from sale of scraps	828	646
Interest income on debt investments at amortised cost	96	196
Others	2,533	1,481
Total other income	7,212	6,239

Other losses, net

	2025 RMB million	2024 RMB million
Gains on disposal of items of property, plant and equipment	126	179
Gains on disposal of items of intangible assets and other long-term assets	93	128
Gains on disposal of subsidiaries (note 42(i))	1,253	2,219
Gains on disposal of joint ventures and associates	1,029	273
Fair value (losses)/gains, net:		
– Financial assets at fair value through profit or loss	(905)	(1,084)
– Derivative financial instruments – transactions not qualifying as hedges	(94)	7
Foreign exchange difference, net	(124)	510
Gains/(losses) on disposal of financial assets at fair value through profit or loss	550	(10)
Losses on derecognition of financial assets at amortised cost	(2,548)	(3,221)
Losses from business combinations achieved in stages	-	(79)
Losses on disposal of investment properties	-	(6)
Total other losses, net	(620)	(1,084)

NOTES TO FINANCIAL STATEMENTS

31 December 2025

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Notes	2025 RMB million	2024 RMB million
Raw materials and consumables used*		210,676	223,914
Cost of goods sold		15,588	15,646
Subcontracting costs		293,686	311,462
Employee benefit expenses*:			
– Salaries, wages and bonuses		36,713	36,950
– Pension costs – defined contribution plans		6,495	6,478
– Defined benefit plans		18	32
– Housing benefits		3,271	3,285
– Welfare, medical and other expenses		16,097	17,398
Total		62,594	64,143
Equipment and plant usage costs		17,634	17,692
Lease payments not included in the measurement of lease liabilities	16(c)	3,414	2,535
Business tax and other taxes		2,150	2,119
Fuel		3,246	3,564
Utilities		2,594	2,250
Maintenance costs		2,066	2,408
Research and development costs (including raw materials and consumables used, employee benefit expenses, depreciation and amortisation)		24,703	25,998
Depreciation of property, plant and equipment*	14	8,728	7,898
Depreciation of investment properties*	15	399	326
Depreciation of right-of-use assets*	16(a)	1,912	1,767
Amortisation of intangible assets*	17	3,867	3,408
Auditors' remuneration		27	28
Write-down of inventories to net realisable value		1,087	790
Impairment losses on financial assets, net	25	7,192	6,132
Impairment losses on contract assets, net	24	667	909
Provision for impairment of goodwill		1	–

* The raw materials and consumables used, the employee benefit expenses, and the depreciation and amortisation for the year charged for research and development activities are also included in the item of "Research and development costs".

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. FINANCE INCOME

	2025 RMB million	2024 RMB million
Interest income from:		
– Bank deposits	975	922
– Deposits in The People’s Bank of China and interbank placement	457	457
– Contract assets and receivables from Public-Private-Partnership(“PPP”) contracts and primary land development contracts	14,435	15,388
– Loan receivables	4,426	5,353
– Others	2,552	2,121
Total	22,845	24,241

8. FINANCE COSTS, NET

An analysis of finance costs is as follows:

	2025 RMB million	2024 RMB million
Interests on:		
– Bank borrowings	19,402	20,779
– Other borrowings	250	152
– Corporate bonds	1,097	873
– Debentures	552	679
– Non-public debt instruments	582	606
– Lease liabilities	211	200
Subtotal	22,094	23,289
Less: Interest capitalised	1,421	1,287
Net interest expense	20,673	22,002
Foreign exchange difference on borrowings, net	62	(85)
Others	1,895	2,121
Total	22,630	24,038

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. A weighted average capitalisation rate of 2.53% (2024: 2.91%) per annum was used, representing the comprehensive cost rate of the borrowings used to finance the qualifying assets.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

8. FINANCE COSTS, NET (CONTINUED)

Interest capitalised during the year was as follows:

	2025 RMB million	2024 RMB million
Inventories	675	718
Concession assets	534	395
Construction in progress	212	174
Total	1,421	1,287

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	348	465
Other emoluments:		
Salaries, allowances and benefits in kind	1,725	2,493
Performance related bonuses	2,114	3,163
Pension scheme contributions	290	396
Subtotal	4,129	6,052
Total fees and other emoluments	4,477	6,517

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Liu Hui	60	80
Mr. Chan Wing Tak Kevin	168	225
Mr. Zhou Xiaowen	60	80
Mr. Wu Guangqi	60	80
Total	348	465

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

31 December 2025

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
2025				
Executive directors:				
Mr. Song Hailiang <i>(i)</i>	123	102	29	254
Mr. Zhang Bingnan <i>(ii)</i>	123	102	29	254
Mr. Wang Tongzhou <i>(iii)</i>	168	163	34	365
Mr. Wang Haihuai <i>(iv)</i>	144	142	28	314
Mr. Liu Xiang	272	658	68	998
Subtotal	830	1,167	188	2,185
Supervisors:				
Mr. Wang Yongbin	220	406	34	660
Mr. Lu Yaojun	332	279	34	645
Mr. Yang Xiangyang	343	262	34	639
Subtotal	895	947	102	1,944
Total	1,725	2,114	290	4,129

- (i) Mr. Song Hailiang elected as the executive director on 23 July 2025.
- (ii) Mr. Zhang Bingnan elected as the executive director on 23 July 2025.
- (iii) Mr. Wang Tongzhou retired as the executive director on 23 July 2025.
- (iv) Mr. Wang Haihuai retired as the executive director on 23 July 2025.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors (continued)

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
2024				
Executive directors:				
Mr. Wang Tongzhou	317	664	66	1,047
Mr. Wang Haihui (<i>Chief executive</i>)	317	664	66	1,047
Mr. Liu Xiang	291	591	66	948
Subtotal	925	1,919	198	3,042
Non-executive director:				
Mr. Mi Shuhua (<i>i</i>)	–	–	–	–
Subtotal	–	–	–	–
Supervisors:				
Mr. Wang Yongbin	389	522	66	977
Mr. Lu Yaojun	580	395	66	1,041
Mr. Yao Yanmin (<i>ii</i>)	–	–	–	–
Mr. Yang Xiangyang (<i>iii</i>)	599	327	66	992
Subtotal	1,568	1,244	198	3,010
Total	2,493	3,163	396	6,052

(i) Mr. Mi Shuhua retired as the independent non-executive directors on 15 January 2024.

(ii) Mr. Yao Yanmin retired as the supervisor on 11 January 2024.

(iii) Mr. Yang Xiangyang elected as the supervisor on 11 January 2024.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

None of the directors and supervisors as mentioned in note 9 above was included in the five highest paid individuals. The emoluments of the five individuals whose emoluments were the highest in the Group during the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,415	2,175
Performance related bonuses	6,618	8,006
Pension scheme contributions	1,082	935
Total	10,115	11,116

The remuneration of the above five highest paid employees fell within the following bands.

	Number of employees	
	2025	2024
HKD\$2,000,000 to HKD\$2,500,000 (equivalent to approximately RMB1,806,440 to RMB2,258,050)	5	3
HKD\$2,500,001 to HKD\$3,000,000 (equivalent to approximately RMB2,258,051 to RMB2,709,660)	-	2
Total	5	5

11. INCOME TAX

Most of the companies comprising the Group are subject to the PRC enterprise income tax, which was provided based on the statutory income tax rate of 25% (2024: 25%) of the assessable income of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC subsidiaries of the Company which were taxed at a preferential rate of 15% (2024: 15%).

Taxation for other companies of the Group has been calculated based on the estimated assessable profit for the years ended 31 December 2025 and 31 December 2024 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 RMB million	2024 RMB million
Current		
– PRC enterprise income tax	6,201	6,225
– Elsewhere	1,094	1,100
Total Current	7,295	7,325
Deferred (note 31)	(755)	(981)
Total tax charge for the year	6,540	6,344

NOTES TO FINANCIAL STATEMENTS

31 December 2025

11. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2025		2024	
	RMB million	%	RMB million	%
Profit before tax	27,598		37,163	
Tax at PRC statutory tax rate of 25%	6,900	25.0	9,291	25.0
Land appreciation tax in the PRC	274	1.0	233	0.6
Profits and losses attributable to joint ventures and associates	436	1.6	587	1.6
Income not subject to tax	(381)	(1.4)	(371)	(1.0)
Additional tax concession on research and development costs	(994)	(3.6)	(1,401)	(3.8)
Expenses not deductible for tax	298	1.1	156	0.4
Temporary differences utilised from previous periods	(28)	(0.1)	(13)	–
Temporary differences not recognised	426	1.5	159	0.4
Tax losses utilised from previous periods	(155)	(0.6)	(276)	(0.7)
Tax losses not recognised	1,169	4.2	868	2.3
Effect of differences in tax rates applicable to certain domestic and foreign subsidiaries	(1,671)	(6.1)	(2,376)	(6.4)
Adjustments in respect of current income tax of previous years	379	1.4	(150)	(0.4)
Others	(113)	(0.4)	(363)	(1.0)
Tax charge at the Group's effective rate	6,540	23.7	6,344	17.1

The share of tax attributable to joint ventures and associates amounting to approximately RMB623 million (2024: RMB526 million) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

The Company is within the scope of global minimum tax ("GMT") under the OECD Pillar Two model rules ("Pillar Two"). Subject to the enactment of Pillar Two tax legislation being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction. The Company has assessed the impact of Pillar Two and concluded that the impact is not significant.

12. DIVIDENDS

	2025	2024
	RMB million	RMB million
Proposed annual dividend of RMB0.19488 per ordinary share (2024: RMB0.30166)	3,172	4,911

A total annual dividend of approximately RMB3,172 million has been proposed for distribution to the shareholders. Of this amount, pursuant to the mandate granted at the 2024 Annual General Meeting on 16 June 2025, the Board approved an interim cash dividend of RMB1,914 million on 7 November 2025. The remaining dividend of RMB1,258 million is subject to approval by the shareholders at the forthcoming Annual General Meeting.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent (exclusive of the interest on perpetual securities and dividend relating to restricted stock incentive plans), and the weighted average number of ordinary shares of 16,177,945,026 (2024: 16,165,711,425) outstanding during the year.

The numerator of the diluted earnings per share amount is based on the profit for the year attributable to ordinary shareholders of the Company, which is adjusted by the impact of the dividend for the restricted shares expected to be unlocked. The denominator of the diluted earnings per share amount is the total number of the weighted average number of ordinary shares outstanding of the parent, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic earnings per share is based on:

	2025 RMB million	2024 RMB million
Earnings		
Profit attributable to ordinary equity holders of the parent	14,995	23,854
Less: Interest on perpetual securities*	1,018	1,231
Dividends on restricted stock shares	2	47
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	13,975	22,576
Add: Dividends on restricted stock shares expected to be unlocked	2	- **
Adjusted profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	13,977	22,576
Attributable to:		
Continuing operation	13,977	22,576

NOTES TO FINANCIAL STATEMENTS

31 December 2025

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation (<i>million</i>)	16,178	16,166
Effect of dilution – weighted average number of ordinary shares:		
Restricted stock incentive plans	2	–**
	16,180	16,166

* The perpetual securities issued by the Company were classified as equity instruments with deferrable accumulative interest. Interest of RMB1,018 million on the perpetual securities which had been accrued but not distributed during the year was deducted from earnings when calculating the earnings per share amount for the year ended 31 December 2025.

** The restricted shares had an anti-dilutive effect on the basic earnings per share for the year ended 31 December 2024 and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share is equal to the basic earnings per share.

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31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB million	Machinery RMB million	Vessels and vehicles RMB million	Other equipment RMB million	Construction in progress RMB million	Total RMB million
31 December 2025						
At 1 January 2025, net of accumulated depreciation and impairment	24,637	16,290	21,446	3,229	14,427	80,029
Additions	264	1,757	1,770	1,663	8,604	14,058
Disposals	(44)	(208)	(327)	(60)	-	(639)
Business combination	76	8	-	2	9	95
Disposal of subsidiaries	(488)	(219)	(6)	(11)	-	(724)
Transfer	2,259	1,500	1,147	383	(5,289)	-
Transfer from investment properties	809	-	-	-	-	809
Transfer from inventories	345	19	-	5	36	405
Transfer from right-of-use assets	-	169	-	-	-	169
Transfer to intangible assets	-	-	-	-	(804)	(804)
Transfer to investment properties	(1,054)	-	-	-	(2,368)	(3,422)
Depreciation provided during the year	(1,285)	(3,813)	(1,934)	(1,696)	-	(8,728)
Impairment	(298)	(72)	(12)	-	(50)	(432)
Exchange realignment and others	(62)	26	29	8	(224)	(223)
At 31 December 2025, net of accumulated depreciation and impairment	25,159	15,457	22,113	3,523	14,341	80,593
31 December 2025						
Cost	34,446	41,787	50,105	17,695	14,439	158,472
Accumulated depreciation and impairment	(9,287)	(26,330)	(27,992)	(14,172)	(98)	(77,879)
Net carrying amount	25,159	15,457	22,113	3,523	14,341	80,593

NOTES TO FINANCIAL STATEMENTS

31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB million	Machinery RMB million	Vessels and vehicles RMB million	Other equipment RMB million	Construction in progress RMB million	Total RMB million
31 December 2024						
At 31 December 2023, net of accumulated depreciation and impairment	23,150	16,339	21,698	3,220	10,717	75,124
Additions	297	1,676	1,085	1,694	8,823	13,575
Disposals	(248)	(487)	(205)	(244)	–	(1,184)
Business combination	192	6	1	1	950	1,150
Disposal of subsidiaries	(88)	–	(3)	(8)	(143)	(242)
Transfer	1,523	2,012	863	256	(4,654)	–
Transfer from investment properties	1,022	–	–	–	–	1,022
Transfer from inventories	96	34	–	–	187	317
Transfer to inventories	–	–	–	(1)	(229)	(230)
Transfer to intangible assets	–	–	–	–	(33)	(33)
Transfer to right-of-use assets	–	–	–	–	(16)	(16)
Transfer to investment properties	(258)	–	–	–	(1,064)	(1,322)
Depreciation provided during the year	(992)	(3,227)	(1,982)	(1,697)	–	(7,898)
Impairment	–	(2)	(28)	–	–	(30)
Exchange realignment and others	(57)	(61)	17	8	(111)	(204)
At 31 December 2024, net of accumulated depreciation and impairment	24,637	16,290	21,446	3,229	14,427	80,029
31 December 2024						
Cost	32,575	40,878	48,710	17,422	14,471	154,056
Accumulated depreciation and impairment	(7,938)	(24,588)	(27,264)	(14,193)	(44)	(74,027)
Net carrying amount	24,637	16,290	21,446	3,229	14,427	80,029

As at 31 December 2025, the Group was in the process of applying for the ownership certificates for certain of its properties with an aggregate carrying amount of approximately RMB2,034 million (2024: RMB2,690 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

As at 31 December 2025, certain bank and other borrowings were secured by property, plant and equipment, with a carrying amount of approximately RMB5,004 million (31 December 2024: RMB3,680 million) (note 43(b)).

NOTES TO FINANCIAL STATEMENTS

31 December 2025

15. INVESTMENT PROPERTIES

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Carrying amount at 1 January	8,242	9,583
Additions	-	1
Transfer from property, plant and equipment	3,422	1,322
Transfer from inventories	232	1,120
Transfer to property, plant and equipment	(809)	(1,022)
Transfer to inventories	(417)	(2,246)
Disposals	-	(180)
Disposal of subsidiaries	(429)	(18)
Depreciation provided during the year	(399)	(326)
Exchange realignment	(108)	8
Carrying amount at 31 December	9,734	8,242
Cost	11,654	9,819
Accumulated depreciation and impairment	(1,920)	(1,577)
	9,734	8,242
Fair value at 31 December (a)	17,880	16,505

NOTES TO FINANCIAL STATEMENTS

31 December 2025

15. INVESTMENT PROPERTIES (CONTINUED)

(a) As at 31 December 2025, the Group's investment properties were fair valued by China Alliance Appraisal Co., Ltd., an independent qualified valuer.

The fair value of the investment properties located in Chinese mainland as at 31 December 2025 and 31 December 2024 was determined using income approach and market comparison approach.

Valuation techniques		Significant unobservable/observable inputs	Fair value at 31 December 2025 RMB million	Fair value at 31 December 2024 RMB million
Investment properties located in Chinese mainland	Income approach: taking into account the net rental income of the properties derived mainly from the existing and/or achievable leases in the existing market with due allowance, which have been then capitalised to determine the fair value at an appropriate capitalisation rate	Future rental inflows, and capitalisation rates	14,874	13,448
The rest of the investment properties located in Chinese mainland	Market comparison approach: with reference to comparable market transactions	Comparable price in the market	1,446	1,476
Investment properties located outside Chinese mainland	Market comparison approach: with reference to comparable market transactions	Comparable price in the market	835	836
Investment properties located outside Chinese mainland	Income approach: taking into account the net rental income of the properties derived mainly from the existing and/or achievable leases in the existing market with due allowance, which have been then capitalised to determine the fair value at an appropriate capitalisation rate	Future rental inflows, discount rates and capitalisation rates	725	745
			17,880	16,505

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties as at 31 December 2025 using significant unobservable inputs (Level 3):

Valuation techniques	Significant unobservable inputs	Range	
		2025	2024
Income approach (2024: Income approach)	Discount rate Average monthly rental (per square meter)	3.0%-7.0% RMB7-RMB600 per square meter	3.0%-7.0% RMB7-RMB444 per square meter

There were no transfers between Level 1 and Level 2 and into or out of Level 3 during the year (2024:Nil).

NOTES TO FINANCIAL STATEMENTS

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

(b) The investment properties are leased to third parties under operating leases, further details of which are included in note 16 to the financial statements.

As at 31 December 2025, the Group was in the process of applying for the ownership certificates for certain properties with an aggregate carrying amount of approximately RMB262 million (31 December 2024: RMB225 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of land, building, vessels, machinery, vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 70 years and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 10 years. The terms of vessels lease are generally 1 to 10 years under operating leases, while the lease period is 8 to 25 years under finance leases. Machinery and vehicles generally have lease terms between 1 and 5 years. Other equipment generally has lease terms of 1 to 5 years or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB million	Buildings RMB million	Vessels RMB million	Machinery RMB million	Vehicles RMB million	Other equipment RMB million	Total RMB million
31 December 2025							
At 31 December 2024, net of accumulated depreciation	17,833	2,333	707	771	15	38	21,697
Additions	440	1,215	633	282	19	26	2,615
Transfer from inventories	2	-	-	-	-	-	2
Depreciation charge	(302)	(1,017)	(172)	(394)	(13)	(14)	(1,912)
Disposal of subsidiaries	(123)	(2)	-	-	-	-	(125)
Disposal, retirement, and others	(738)	2	(14)	(5)	(2)	(1)	(758)
Transfer to property, plant and equipment	-	-	-	(169)	-	-	(169)
At 31 December 2025	17,112	2,531	1,154	485	19	49	21,350

NOTES TO FINANCIAL STATEMENTS

31 December 2025

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows: (continued)

	Leasehold land <i>RMB million</i>	Buildings <i>RMB million</i>	Vessels <i>RMB million</i>	Machinery <i>RMB million</i>	Vehicles <i>RMB million</i>	Other equipment <i>RMB million</i>	Total <i>RMB million</i>
31 December 2024							
At 31 December 2023, net of accumulated depreciation	17,227	2,496	13	483	39	95	20,353
Additions	671	1,119	735	555	23	5	3,108
Transfer from property, plant and equipment	16	-	-	-	-	-	16
Business combinations	-	4	-	-	-	-	4
Transfer from inventories	77	-	-	-	-	-	77
Depreciation charge	(252)	(1,072)	(78)	(334)	(17)	(14)	(1,767)
Disposal of subsidiaries	(71)	-	-	-	-	-	(71)
Disposal, retirement, and others	165	(214)	37	67	(30)	(48)	(23)
At 31 December 2024	17,833	2,333	707	771	15	38	21,697

As at 31 December 2025, certain of the Group's right-of-use assets with a net carrying amount of approximately RMB10,830 million (31 December 2024: RMB9,388 million) were pledged to secure general banking facilities granted to the Group (notes 30(e) and 43(b)).

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16. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2025 Lease liabilities <i>RMB million</i>	2024 Lease liabilities <i>RMB million</i>
Carrying amount at 1 January	3,683	2,776
New leases	2,068	2,400
Interest expense	211	200
Payments	(1,847)	(1,607)
Others	49	(86)
Carrying amount at 31 December	4,164	3,683
Analysed into:		
Current portion	1,004	1,419
Non-current portion	3,160	2,264

The maturity analysis of lease liabilities is disclosed in note 48(c) to the consolidated financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Interest on lease liabilities	211	200
Depreciation charge of right-of-use assets	1,912	1,767
Expense relating to short-term leases (included in cost of sales)	3,409	2,532
Expense relating to leases of low-value assets (included in administrative expenses)	-	2
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	5	1
Total amount recognised in profit or loss	5,537	4,502

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 39(c) and 48(c), respectively, to the consolidated financial statements.

16. LEASES (CONTINUED)

The Group as a lessor

(a) Operating lease

The Group leases its investment properties (note 15) and property, plant and equipment (note 14) consisting of certain of commercial and industrial properties in Chinese mainland and overseas under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,368 million (2024: RMB1,272 million).

As at 31 December 2025, the Group's operating arrangements for leased property, plant and equipment are as follows:

	Machinery <i>RMB million</i>	Vessels and vehicles <i>RMB million</i>	Total <i>RMB million</i>
At 31 December 2024, net of accumulated depreciation and impairment	1,275	435	1,710
Additions	907	1,856	2,763
Lease expiration	(20)	(33)	(53)
Depreciation	(435)	(936)	(1,371)
At 31 December 2025, net of accumulated depreciation and impairment	1,727	1,322	3,049

At 31 December 2025, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Within 1 year	1,012	728
1 year to 2 years	523	495
2 years to 3 years	320	322
3 years to 4 years	144	161
4 years to 5 years	86	169
Over 5 years	147	388
Total	2,232	2,263

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16. LEASES (CONTINUED)

The Group as a lessor (continued)

(b) Finance lease

Financing income from net lease investment was RMB3,185 million (2024: RMB3,055 million).

At 31 December 2025, the Group had contracted with lessees for the following future undiscounted lease payments under non-cancellable finance leases are as follows:

	2025 RMB million	2024 RMB million
Lease payments receivables		
– Within 1 year	35,632	30,824
– 1 year to 2 years	19,095	20,953
– 2 years to 3 years	6,884	7,867
– 3 years to 4 years	1,539	2,328
– 4 years to 5 years	822	925
– Over 5 years	315	341
Subtotal	64,287	63,238
Less: Unearned finance lease income	4,413	4,381
Net investment in the lease	59,874	58,857

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17. INTANGIBLE ASSETS

	Concession assets <i>RMB million</i>	Goodwill <i>RMB million</i>	Trademarks, patents, proprietary technologies and copyrights <i>RMB million</i>	Computer software <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
31 December 2025						
At 1 January 2025, net of accumulated amortisation and impairment	182,487	5,300	1,087	938	7,421	197,233
Additions	18,820	-	232	582	215	19,849
Business combination	-	-	-	-	73	73
Acquisition of assets	28,747	-	-	-	-	28,747
Transfer from property, plant and equipment	424	-	-	1	379	804
Disposal of subsidiaries (<i>note 42</i>)	(14,829)	-	-	(1)	-	(14,830)
Disposal	(45)	-	(4)	(9)	(20)	(78)
Amortisation provided during the year	(3,494)	-	(33)	(301)	(39)	(3,867)
Provision for impairment during the year	-	(1)	-	-	-	(1)
Exchange realignment and others	-	205	25	-	1	231
Others	(26)	-	-	-	-	(26)
At 31 December 2025	212,084	5,504	1,307	1,210	8,030	228,135
31 December 2025						
Cost	227,015	5,801	1,654	2,899	8,519	245,888
Accumulated amortisation and impairment	(14,931)	(297)	(347)	(1,689)	(489)	(17,753)
Net carrying amount	212,084	5,504	1,307	1,210	8,030	228,135
31 December 2024						
At 1 January 2024, net of accumulated amortisation and impairment	188,176	5,455	1,413	724	4,795	200,563
Additions	12,856	-	1	376	834	14,067
Business combination	4,929	201	-	52	1,890	7,072
Acquisition of assets	8,401	-	-	-	-	8,401
Transfer from property, plant and equipment	-	-	-	33	-	33
Disposal of subsidiaries (<i>note 42</i>)	(29,042)	-	-	-	-	(29,042)
Disposal	(36)	-	(4)	(10)	(43)	(93)
Amortisation provided during the year	(3,064)	-	(54)	(237)	(53)	(3,408)
Exchange realignment and others	267	(351)	-	-	-	(84)
Others	-	(5)	(269)	-	(2)	(276)
At 31 December 2024	182,487	5,300	1,087	938	7,421	197,233
31 December 2024						
Cost	196,417	5,596	1,413	2,340	7,895	213,661
Accumulated amortisation and impairment	(13,930)	(296)	(326)	(1,402)	(474)	(16,428)
Net carrying amount	182,487	5,300	1,087	938	7,421	197,233

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17. INTANGIBLE ASSETS (CONTINUED)

As at 31 December 2025, the net carrying amount of concession assets consisted of RMB186,783 million (2024: RMB161,220 million) under operation and RMB25,301 million (2024: RMB21,267 million) under construction, respectively.

As at 31 December 2025, the Group recognised an accumulated impairment of RMB299 million (2024: RMB299 million), based on the impairment tests for concession assets in the infrastructure construction segment.

As at 31 December 2025, certain bank and other borrowings were secured by concession assets with a total carrying amount of approximately RMB164,440 million (2024: RMB144,417 million) (notes 30(e) and 43(b)).

Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units identified within respective operating segments. Goodwill of the Group mainly relates to the followings:

- (a) the goodwill included in the Construction segment that arose in connection with the Group's acquisition of the 100% equity interest in John Holland Group Pty Limited ("John Holland") in April 2015 and acquisition of the 100% equity interest in RCR Holdings ("RCR") in February 2019, collectively referred to as John Holland cash-generating unit ("John Holland CGU");
- (b) the goodwill included in the Design segment that arose in connection with the Group's acquisition of the 80% equity interest in Concremat Engenharia e Tecnologia S.A. ("Concremat CGU") in January 2017; and
- (c) the goodwill included in the Other segment that arose in connection with the Group's acquisition of the 100% equity interest in Friede Goldman United, Ltd. ("F&G CGU") in August 2010.

The following is a summary of goodwill allocation:

	2025 RMB million	2024 RMB million
John Holland CGU (i)	4,610	4,405
Concremat CGU (i)	252	252
F&G CGU (i)	-	-
Other CGUs	642	643
Total	5,504	5,300

- (i) For goodwill in connection with John Holland CGU, Concremat CGU, and F&G CGU, the recoverable amount was determined based on value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. For the John Holland CGU, the key assumptions are set out below:

	2025 John Holland	2024 John Holland
Terminal growth rate ⁽¹⁾	2%	2%
Before tax discount rate ⁽²⁾	11.1%	11.1%

- (1) The terminal growth rate is the average annual revenue growth rate over the five-year forecast period. It is based on past performance and management's expectations of market development.

- (2) The discount rate used is before tax and reflects specific risks relating to the CGU.

As at 31 December 2025, the Group recognised an accumulated impairment of RMB297 million (2024: RMB296 million) for the goodwill allocated to F&G CGU, while no impairment was recognised for the goodwill allocated to John Holland CGU and Concremat CGU based on the assessment as at 31 December 2025 and 2024.

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18. INVESTMENTS IN JOINT VENTURES

	2025 RMB million	2024 RMB million
At 1 January	59,978	59,671
Additions	5,623	5,394
Disposals	(3,379)	(536)
Share of losses, net	(1,729)	(1,884)
Dividend distribution	(464)	(426)
Initial recognition of fair value of interests in joint ventures arising from disposal of subsidiaries	962	114
Conversion into subsidiaries resulting from increase in equity interests in joint ventures	(6,580)	(1,927)
Share of other comprehensive losses of joint ventures	(48)	(206)
Others	202	(222)
At 31 December	54,565	59,978

In the opinion of the directors, none of the joint ventures is individually material to the Group.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB million	2024 RMB million
Share of the joint ventures' losses for the year	(1,729)	(1,884)
Share of the joint ventures' other comprehensive loss	(48)	(206)
Share of the joint ventures' total comprehensive loss	(1,777)	(2,090)
Aggregate carrying amount of the Group's investments in the joint ventures	54,565	59,978

All of the joint ventures of the Group are accounted for using the equity method.

The Group's receivable and payable balances with and guarantees provided to the joint ventures are disclosed in notes 45(b) and 45(c) to the financial statements.

As at 31 December 2025, approximately 11.39% of the aggregate carrying amount of the Group's investments in the joint ventures was directly held by the Company.

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19. INVESTMENTS IN ASSOCIATES

	2025 RMB million	2024 RMB million
At 1 January	54,394	53,801
Additions	2,802	2,980
Disposals	(2,177)	(1,082)
Share of profits and losses, net	(13)	(463)
Dividend distribution	(502)	(698)
Initial recognition of fair value of interests in associates arising from disposal of subsidiaries	305	96
Conversion into subsidiaries arising from increase in equity interest in associates	(136)	(517)
Share of other comprehensive income/(losses) of associates	50	(77)
Others	48	354
At 31 December	54,771	54,394

Particulars of the Group's material associate is as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC")	Ordinary shares	Chinese mainland	16.24%	Manufacture of heavy-duty equipment

Although the Group holds less than 20% equity interest in ZPMC, ZPMC has been accounted for as an associate since the Group is the second largest shareholder of ZPMC, only next to the Company's parent CCCG and has the right to nominate directors to the board of directors of ZPMC and therefore has significant influence over ZPMC. ZPMC is directly held by the Company.

ZPMC, which is considered a material associate of the Group, is a strategic partner of the Group and is accounted for using the equity method.

As at 31 December 2025, approximately 24.31% of the aggregate carrying amount of the Group's investments in the associates was directly held by the Company.

NOTES TO FINANCIAL STATEMENTS

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19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of ZPMC and reconciled to the carrying amount in the consolidated financial statements:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Non-current assets	38,231	38,824
Current assets	44,804	46,944
Total assets	83,035	85,768
Current liabilities	(48,662)	(46,992)
Non-current liabilities	(15,617)	(20,453)
Total liabilities	(64,279)	(67,445)
Non-controlling interests	(2,579)	(2,455)
Perpetual securities	(500)	(500)
Equity attributable to ordinary equity holders of the parent	15,677	15,368
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	16.24%	16.24%
Group's share of net assets of the associate, excluding goodwill	2,599	2,540
Goodwill on acquisition (less cumulative impairment)	1,911	1,911
Carrying amount of the investment	4,510	4,451
Revenue	36,260	34,456
Profit attributable to owners of the parent	732	534
Other comprehensive loss attributable to owners of the parent	(2)	22
Total comprehensive income for the year attributable to owners of the parent	730	556
Dividend received	64	43

NOTES TO FINANCIAL STATEMENTS

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19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB million	2024 RMB million
Share of the associates' loss for the year	(132)	(533)
Share of the associates' other comprehensive income/(loss)	50	(75)
Share of the associates' total comprehensive loss	(82)	(608)
Aggregate carrying amount of the Group's investments in the associates	50,261	49,943

All of the associates of the Group are accounted for using the equity method.

The Group's trade receivable and payable balances with and the guarantees provided to the associates are disclosed in notes 45 (b) and 45(c) to the financial statements.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB million	2024 RMB million
Listed equity investments (note a)	208	329
Unlisted investments		
– Investments in structured entities (note 22)	21,585	20,256
– Unlisted equity investments	4,768	4,712
– Future purchase option (note c)	732	2,444
– Investments in assets-backed securities (note 22)	17	22
– Wealth management products (note b)	425	168
Subtotal	27,735	27,931
Less: Non-current portion		
Unlisted investments	27,102	27,434
Total current portion	633	497

- (a) The listed equity investments at 31 December 2025 were classified as financial assets at fair value through profit or loss as they were held for trading. The fair value of these investments was based on the quoted market prices at the end of the reporting period.
- (b) The above wealth management products issued by banks in Chinese mainland are mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.
- (c) The Group purchased future purchase options to buy back equity interests in certain companies it disposed of in prior years at a discounted price. As at 31 December 2025, the fair value of the future purchase options was RMB732 million (2024: RMB2,444 million).

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21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity instruments at fair value through other comprehensive income comprise the following individual instruments:

	2025 RMB million	2024 RMB million
Listed equity instruments		
Listed equity investments, at fair value		
– China Merchants Bank Co., Ltd.	16,693	15,982
– China Merchants Securities Co., Ltd.	3,085	4,352
– Yutong Bus Co., Ltd.	1,337	1,079
– China Development Bank Financial Leasing Co., Ltd.	235	200
– CECEP Environmental Protection Equipment Co., Ltd.	135	120
– Zhongtong Bus Holding Co., Ltd.	31	51
– Others	246	210
Subtotal	21,762	21,994
Unlisted equity instruments		
– Lunan High Speed Railway Co., Ltd.	1,167	1,292
– Shandong Zilin Expressway Co., Ltd.	705	675
– Shandong Jiwei Expressway Co., Ltd.	317	279
– Beijing CEDC Ltd.	436	406
– Shandong Expressway Jiqing Midline Highway Co., Ltd.	242	242
– Jiangsu Xitai Tunnel Co., Ltd.	384	384
– Others	1,938	1,908
Subtotal	5,189	5,186
Total	26,951	27,180

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(ii) Disposal of equity investments

During the year ended 31 December 2025, the Group has sold certain equity investments, as these investments no longer suited the Group's investment strategy. The equity investments sold had a fair value of RMB1,190 million (2024: RMB1,485 million) at the time of sale and the Group realised a gain of RMB1,048 million (2024: RMB1,273 million), which had already been included in other comprehensive income and transferred to retained earnings directly upon disposal.

Dividends

During the year ended 31 December 2025, the Group recognised dividends in a total amount of RMB1,028 million (2024: RMB1,073 million), including RMB1,028 million (2024: RMB1,052 million) relating to equity investments held at the end of the reporting period, respectively.

NOTES TO FINANCIAL STATEMENTS

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22. UNCONSOLIDATED STRUCTURED ENTITIES

The Group is principally involved with structured entities through financial investments. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them. The unconsolidated structured entities include private equity funds, unit trust funds, trust products and asset management plans, etc. The nature and purpose of these structured entities are to engage in infrastructure investment activities. These structured entities were financed through the issue of units to investors.

As at 31 December 2025, the maximum exposure to loss and the book values of relevant investments of the Group arising from the interests held in structured entities that are sponsored by the Group or the third party financial institutions are set out as below:

	2025		2024	
	Carrying amount RMB million	Maximum exposure to loss RMB million	Carrying amount RMB million	Maximum exposure to loss RMB million
Investments in structured entities	21,585	21,585	20,256	20,256
Investments in asset-backed securities	17	17	22	22
Total	21,602	21,602	20,278	20,278

In 2025, the Group received management fees, commission and performance fees amounting to RMB24 million (2024: RMB63 million) from unconsolidated structured entities sponsored by the Group.

As disclosed in notes 25(f) and 40(iii), the Group has entered into agreements with certain financial institutions to establish ABS and ABN arrangements. As at 31 December 2025, in addition to the liquidity support provided by the Group as disclosed, the Group has invested asset-backed securities with an aggregated amount of RMB17 million (2024: RMB22million). The directors of the Company evaluate that the position of subordinated tranches invested is low and therefore determined not to consolidate these ABS and ABN.

As at 31 December 2025, except for those disclosed and note 40(iii), there were no contractual liquidity arrangements, guarantees or other commitments between the Group and the unconsolidated structured entities (2024: Nil).

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23. INVENTORIES

	2025 RMB million	2024 RMB million
Raw materials	16,143	15,239
Work in progress	2,173	1,511
Properties under development (note a)	59,063	59,142
Completed properties held for sale (note b)	35,648	24,821
Finished goods	1,441	1,066
Others	237	355
Total	114,705	102,134

At 31 December 2025, certain of the Group's properties under development and completed properties held for sale with an aggregate carrying amount of RMB32,369 million (2024: RMB20,806 million) were pledged to secure the Group's bank loans (notes 30(e) and 43(b)).

(a) Properties under development comprise:

	2025 RMB million	2024 RMB million
Land use rights	43,703	43,584
Construction cost	12,834	12,396
Finance costs capitalised	2,526	3,162
Total	59,063	59,142

All of the properties under development are expected to be completed within the Group's normal operating cycle and are included under current assets.

(b) The amount of completed properties held for sale expected to be recovered beyond one year is RMB22,756 million (2024: RMB14,815 million). The remaining amount is expected to be recovered within one year.

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24. CONTRACT ASSETS

Contract assets are initially recognised for revenue earned from the provision of construction, design and dredging services. Upon settlement with the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2025 and 2024 mainly resulted from the increase in the ongoing provision of construction and dredging services at the end of each of the years.

	31 December 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>	1 January 2024 <i>RMB million</i>
Contract assets arising from:			
Infrastructure construction	532,499	487,204	426,628
Infrastructure design	11,566	10,400	12,706
Dredging	47,381	20,841	17,120
Others	112	343	419
Subtotal	591,558	518,788	456,873
Impairment	(5,839)	(5,042)	(4,261)
Net carrying amount	585,719	513,746	452,612
Portion classified as non-current	342,226	307,506	282,355
Current portion	243,493	206,240	170,257

During the year ended 31 December 2025, RMB667 million (2024: RMB909 million) was recognised as an allowance for expected credit losses on contract assets.

As at 31 December 2025, the expected timing of recovery or settlement for contract assets was subject to the specific contract terms and the progress of the performance obligations.

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
At beginning of year	5,042	4,261
Impairment losses, net	667	909
Others	130	(128)
At end of year	5,839	5,042

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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24. CONTRACT ASSETS (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	0.99%	0.97%
Gross carrying amount <i>(RMB million)</i>	591,558	518,788
Expected credit losses <i>(RMB million)</i>	5,839	5,042

25. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Trade and bills receivables <i>(note a)</i>	193,809	169,443
Impairment	(33,143)	(28,538)
Net carrying amount	160,666	140,905
Long-term receivables <i>(note b)</i>	377,308	359,213
Impairment	(7,852)	(7,178)
Net carrying amount	369,456	352,035
Other receivables:		
Prepayments	28,369	28,479
Deposits <i>(note d)</i>	26,544	25,118
Others	74,147	71,061
Subtotal	129,060	124,658
Impairment <i>(note c)</i>	(9,018)	(7,647)
Net carrying amount	120,042	117,011
Total	650,164	609,951
Portion classified as non-current		
Long-term receivables	271,848	256,688
Other receivables:		
Prepayments	7,722	6,362
Deposits	3,520	3,411
Others	7,033	6,879
Total non-current portion	290,123	273,340
Total current portion	360,041	336,611

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The majority of the Group's revenues are generated through infrastructure construction, infrastructure design and dredging contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An ageing analysis of trade and bills receivables as at the end of the reporting period, net of provisions, is as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Within 6 months	93,975	86,079
6 months to 1 year	16,865	15,025
1 year to 2 years	26,501	21,649
2 years to 3 years	12,971	7,772
Over 3 years	10,354	10,380
Total	160,666	140,905

The movements in provision for impairment of trade and bills receivables are as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
At beginning of year	28,538	23,988
Impairment losses, net	4,921	5,123
Disposal of subsidiaries	(13)	-
Amount written off*	(344)	(490)
Others	41	(83)
At end of year	33,143	28,538

- * During the year ended 31 December 2025, an accumulated impairment of RMB322 million (2024: RMB410 million) was written off because the relevant trade and bills receivables were derecognised due to the arrangement of non-recourse factoring agreements, ABS, ABN, and endorsement.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing of the balances for groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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31 December 2025

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) (continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2025

	Ageing						Total
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Expected credit loss rate	0.81%	14.40%	25.91%	48.20%	63.64%	83.20%	14.86%
Gross carrying amount (RMB million)	111,355	30,606	17,249	9,464	5,647	11,660	185,981
Expected credit losses (RMB million)	(901)	(4,407)	(4,469)	(4,562)	(3,594)	(9,701)	(27,634)

As at 31 December 2024

	Ageing						Total
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Expected credit loss rate	1.56%	14.12%	26.05%	46.48%	63.06%	81.70%	14.32%
Gross carrying amount (RMB million)	102,372	24,767	10,336	10,719	3,812	9,797	161,803
Expected credit losses (RMB million)	(1,597)	(3,497)	(2,693)	(4,982)	(2,404)	(8,004)	(23,177)

In addition to the above provision matrix, the Group has made individual loss allowance for certain customers while the credit risk increased significantly. As at 31 December 2025, the accumulated individual loss allowance was RMB5,509 million (31 December 2024: RMB5,361 million) with a carrying amount before loss allowance of RMB7,828 million (31 December 2024: RMB7,640 million).

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31 December 2025

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Long-term receivables mainly represented amounts due from certain construction works with payment periods over one year.

	31 December 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>	1 January 2024 <i>RMB million</i>
Long-term receivables arising from:			
Infrastructure construction	279,635	327,290	280,536
Infrastructure design	6,865	7,512	9,439
Dredging	27,282	24,134	17,941
Others	63,526	277	948
Subtotal	377,308	359,213	308,864
Impairment	(7,852)	(7,178)	(10,295)
Net carrying amount	369,456	352,035	298,569
Portion classified as non-current	271,848	256,688	221,763
Current portion	97,608	95,347	76,806

During the year ended 31 December 2025, RMB944 million (2024: RMB559 million) was recognised as an allowance for expected credit losses on long-term receivables.

The movements in the loss allowance for impairment of long-term receivables are as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
At beginning of year	7,178	10,295
Impairment losses, net	944	559
Amount written off	(275)	(229)
Others	5	(3,447)
At end of year	7,852	7,178

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the long-term receivables are based on those of the trade receivables as long-term receivables and the trade receivables are from the same customer bases. The provision rates of long-term receivables are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO FINANCIAL STATEMENTS

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) (continued)

Set out below is the information about the credit risk exposure on the Group's long-term receivables using a provision matrix:

	2025	2024
Expected credit loss rate	2.08%	2.00%
Gross carrying amount (<i>RMB million</i>)	377,308	359,213
Expected credit losses (<i>RMB million</i>)	7,852	7,178

(c) The movements in the loss allowance for impairment of other receivables are as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
At beginning of year	7,647	7,435
Impairment losses, net	1,327	450
Disposal of subsidiaries	-	(55)
Amount written off	(9)	(42)
Others	53	(141)
At end of year	9,018	7,647

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates of other receivables are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix:

	2025	2024
Expected credit loss rate	6.99%	6.13%
Gross carrying amount (<i>RMB million</i>)	129,060	124,658
Expected credit losses (<i>RMB million</i>)	9,018	7,647

(d) Deposits mainly represented tender and performance bonds due from customers.

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31 December 2025

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (e) During the year ended 31 December 2025, trade receivables of RMB52,838 million (2024: RMB54,722 million) had been transferred to the banks in accordance with non-recourse factoring agreements. In the opinion of the directors, the substantial risks and rewards associated with the trade receivables have been transferred and therefore the relevant receivables have been derecognised.
- (f) The Group has entered into certain agreements with certain financial institution so as to establish ABS and ABN. The ABS and ABN are bonds or notes backed by trade receivables and long-term receivables. The Group sell pools of trade receivables and long-term receivables to a SPV, whose sole function is to buy such assets in order to securitise them. The SPV, which is usually a corporation, then sells them to a trust. The trust repackages the loans as interest-bearing securities and issues them. During the year ended 31 December 2025, the relevant outstanding contract assets, trade receivables and long-term receivables under the ABS and ABN amounted to RMB18,762 million (2024: RMB32,494 million). Such trade receivables and long-term receivables were derecognised as the directors are of the opinion that the substantial risks and rewards associated with the trade receivables and long-term receivables have been transferred and therefore qualified for derecognition.
- (g) The Group transferred a portion of its trade receivables to a special purpose entity, which issued asset-backed securities to investors. The Group assumed the credit risk of the transferred trade receivables by subscribing to subordinated asset-backed securities. As at 31 December 2025, receivables transferred under the arrangement but not yet settled were RMB2,847 million (31 December 2024: RMB492 million). As the Group retained a significant portion of the risk and return related to the relevant trade receivables, the Group did not derecognise the related trade receivables.
- (h) The Group entered into accounts receivable factoring arrangements with certain financial institutions and transferred certain accounts receivable to financial institutions. Under this arrangement, if the accounts receivable debtor delays payment and the Group is required to repay the money, the Group retains virtually all of the risks and rewards on the ownership of the financial asset and does not terminate recognition of the financial asset. After the transfer, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. As at 31 December 2025, trade receivable transferred under the arrangement but not yet settled were RMB2,165 million (31 December 2024: RMB3,961 million) and long-term receivables transferred under the arrangement but not yet settled were RMB2,922 million (31 December 2024: RMB6,551 million).
- (i) During the year ended 31 December 2025, outstanding bills receivable of RMB387 million (2024: RMB267 million) were endorsed to suppliers or discounted with banks. In the opinion of directors, the Group has retained the substantial risks and rewards, which include default risks relating to such bills receivable, and accordingly, it continued to recognise the full carrying amounts of the bills receivable. In addition, during the year ended 31 December 2025, outstanding bills receivable of RMB805 million (2024: RMB786 million) were endorsed to suppliers or discounted with banks. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to such bills receivable which were fully derecognised.
- (j) As at 31 December 2025, certain of the Group's outstanding trade and other receivables (excluding PPP projects) with a net carrying amount of approximately RMB33,939 million (2024: RMB40,415 million) were pledged to secure general banking facilities and other borrowings, and certain of the Group's outstanding trade receivables from PPP projects with a net carrying amount of approximately RMB230,591 million (2024: RMB209,476 million) have been pledged to secure bank borrowings (notes 30(e), 28(c) and 43(b)).

NOTES TO FINANCIAL STATEMENTS

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26. DERIVATIVE FINANCIAL INSTRUMENTS

	2025		2024	
	Assets RMB million	Liabilities RMB million	Assets RMB million	Liabilities RMB million
Forward currency contracts				
– Cash flow hedges	-	-	-	-
Interest rate swap	13	34	42	-
Foreign exchange option	276	-	377	-
Total	289	34	419	-
Portion classified as non-current:				
Interest rate swap	-	-	-	-
Foreign exchange option	276	-	377	-
Current portion	13	34	42	-

27. CASH AND BANK BALANCES

	2025 RMB million	2024 RMB million
Restricted bank deposits (<i>note a</i>)	10,920	6,705
Time deposits with an initial term of over three months (<i>note b</i>)	306	802
Subtotal	11,226	7,507
Cash and cash equivalents	139,830	134,974
Total	151,056	142,481

(a) As at 31 December 2025, restricted bank deposits mainly included deposits for issuance of bank acceptance notes, performance bonds, letters of credit to customers, and mandatory reserve deposits placed with the People's Bank of China by CCCC Finance.

(b) Time deposits with an initial term of over three months are excluded from cash and cash equivalents, as management is of the opinion that these time deposits are not readily convertible to known amounts of cash without significant risk of changes in value.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB107,337 million (2024: RMB103,039 million). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2025, less than 3% (2024: less than 3%) of the cash and bank balances denominated in currencies other than RMB were deposited in banks in certain countries which are subject to foreign exchange control and the currencies are not freely convertible into other currencies or remitted out of those countries.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

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28. TRADE AND OTHER PAYABLES

	2025 RMB million	2024 RMB million
Trade and bills payables (note a)	445,115	425,779
Deposits from suppliers	49,372	47,705
Retentions	87,162	72,552
Deposits in CCCC Finance (note b)	15,940	20,966
Other taxes	46,408	42,414
Payroll and social security	2,425	2,401
Other borrowings (note c)	30,138	31,422
Accrued expenses and others	63,506	55,045
Total	740,066	698,284
Portion classified as non-current		
Retentions	63,003	53,998
Other borrowings	7,749	3,345
Other taxes	583	597
Others	5,270	5,034
Total non-current portion	76,605	62,974
Total current portion	663,461	635,310

(a) An ageing analysis of trade and bills payables as at the end of the reporting period is as follows:

	2025 RMB million	2024 RMB million
Within 1 year	379,883	368,932
1 year to 2 years	41,790	38,354
2 years to 3 years	12,677	10,475
Over 3 years	10,765	8,018
Total	445,115	425,779

(b) CCCC Finance, a subsidiary of the Company, accepted deposits from CCCC and fellow subsidiaries. These deposits were due within one year with an average annual interest rate of 1.0% (2024: 1.0%).

(c) As at 31 December 2025, the borrowings were secured by the Group's trade and other receivables, the borrowings interest ranging approximately from 2.0% to 5.3%.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

28. TRADE AND OTHER PAYABLES (CONTINUED)

- (d) The financial liabilities that are part of the Group's supplier finance arrangements are included in trade and other payables.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied, and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or later as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider.

The Group conducts supply chain asset securitisation business through financial institutions. The original creditors (suppliers of the Group) take the accounts receivable claims under the underlying transaction contract, which they hold as a result of selling goods to the Group, providing services, etc., as the underlying assets, and issue securities to investors through the special asset support plan. The Group issues a payment confirmation letter to the special asset support plan, confirming that the Group is obligated to settle the accounts receivable claims held by the special asset support plan upon their maturity. The Group unconditionally and irrevocably fulfils the obligation to pay off the target accounts receivable before the maturity of each accounts receivable claim.

All financial liabilities that are part of the supplier finance arrangements are included in trade and other payables in the statement of financial position.

	31 December 2025 <i>RMB million</i>
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:	
Trade and other payables	93,457
Of which suppliers have received payments	75,531

For financial liabilities that are part of the supplier finance arrangements included in trade and other payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

29. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	31 December 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>	1 January 2024 <i>RMB million</i>
Contract liabilities arising from:			
Infrastructure construction	93,407	77,008	63,428
Infrastructure design	3,446	3,664	5,397
Dredging	4,188	3,158	3,973
Others	1,525	1,440	685
Total	102,566	85,270	73,483

Contract liabilities mainly include short-term advances received to render construction, design and dredging services. The increase in the book value of contract liabilities for the year was mainly due to a payment received or a payment due (whichever was earlier) from a customer before the Group transferred the related goods or services.

NOTES TO FINANCIAL STATEMENTS

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30. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2025 RMB million	2024 RMB million
Non-current			
Long-term bank borrowings			
– secured	(e)	299,637	274,085
– guaranteed	(f)	9,691	12,293
– unsecured or unguaranteed		111,379	101,646
Subtotal		420,707	388,024
Long-term other borrowings			
– secured	(e)	138	188
– guaranteed	(f)	3,777	4,495
– unsecured or unguaranteed		670	239
Subtotal		4,585	4,922
Corporate bonds		34,151	33,662
Non-public debt instruments		24,599	16,625
Lease liabilities	16(b)	3,160	2,264
Total non-current borrowings		487,202	445,497
Current			
Current portion of long-term bank borrowings			
– secured	(e)	28,937	29,036
– guaranteed	(f)	1,792	1,743
– unsecured or unguaranteed		36,155	19,170
Subtotal		66,884	49,949
Short-term bank borrowings			
– secured	(e)	19,226	15,091
– guaranteed	(f)	521	648
– unsecured or unguaranteed		82,096	56,670
Subtotal		101,843	72,409
Current portion of long-term other borrowings			
– secured	(e)	25	34
– guaranteed	(f)	722	3
– unsecured or unguaranteed		84	134
Subtotal		831	171
Short-term other borrowings			
– secured	(e)	1,521	1,710
– unsecured or unguaranteed		3,044	91
Subtotal		4,565	1,801
Corporate bonds		6,675	3,485
Debentures		14,036	7,522
Non-public debt instruments		4,442	4,070
Lease liabilities	16(b)	1,004	1,419
Total current borrowings		200,280	140,826
Total borrowings		687,482	586,323

NOTES TO FINANCIAL STATEMENTS

31 December 2025

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) The Group's borrowings (excluding lease liabilities) were repayable as follows:

	2025 RMB million	2024 RMB million
Bank borrowings		
– Within one year or on demand	168,727	122,358
– In the second year	58,460	67,581
– In the third to fifth years, inclusive	113,155	100,705
– Beyond five years	249,092	219,738
Subtotal	589,434	510,382
Others, excluding lease liabilities		
– Within one year or on demand	30,549	17,049
– In the second year	28,079	10,487
– In the third to fifth years, inclusive	30,977	40,882
– Beyond five years	4,279	3,840
Subtotal	93,884	72,258
Total	683,318	582,640

(b) The carrying amounts of the borrowings are denominated in the following currencies:

	2025 RMB million	2024 RMB million
Renminbi	670,042	562,315
United States dollar	4,473	14,942
Euro	2,225	2,310
Hong Kong dollar	456	90
Japanese yen	253	33
Others	10,033	6,633
Total	687,482	586,323

(c) An analysis of the carrying amounts of borrowings by the type of interest rate is as follows:

	2025 RMB million	2024 RMB million
Fixed interest rate	241,134	198,496
Variable interest rate	446,348	387,827
Total	687,482	586,323

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31 December 2025

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

- (d) Borrowings of the Group, excluding corporate bonds, debentures, non-public debt instruments, and lease liabilities, bore interest at effective rates ranging from 0.89% to 8.76% (2024: 0.75% to 8.23%) per annum at the end of the reporting period, and four overseas banks borrowing bore interest ranging from 5.62% to 15.27% (2024: 5.62% to 18.00%).
- (e) As at 31 December 2025 and 2024, the borrowings were secured by the Group's property, plant and equipment (note 14), right-of-use assets (note 16(a)), concession assets and trade receivables from PPP projects (note 17, note 25), inventories (note 23) and trade and other receivables (excluding PPP projects) (note 25).
- (f) Guaranteed borrowings were guaranteed by certain subsidiaries of the Company.
- (g) As of 31 December 2025, the Group's bank borrowings, subject to covenant requirements, had a carrying amount of RMB213,578 million. These covenants relate to financial metrics including the debt-to-asset ratio, current ratio, credit rating, net assets, and net profit.

31. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax liabilities

	2025			
	Fair value adjustments of equity investments at fair value through other comprehensive income RMB million	Undistributed profits in subsidiaries RMB million	Others RMB million	Total RMB million
31 December 2024	3,739	1,870	8,773	14,382
Charged to profit or loss during the year (note 11)	-	447	971	1,418
Credited to other comprehensive income	(96)	-	(11)	(107)
Business combinations	-	-	44	44
Disposal of subsidiaries	-	-	(49)	(49)
Exchange differences	-	-	113	113
Others	141	-	-	141
At 31 December 2025	3,784	2,317	9,841	15,942

NOTES TO FINANCIAL STATEMENTS

31 December 2025

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

	2025				Total RMB million
	Impairment of financial assets and contract assets RMB million	Tax losses RMB million	Discount on long-term receivables RMB million	Others RMB million	
31 December 2024	8,068	5,237	473	4,590	18,368
Credited to profit or loss during the year (note 11)	1,328	651	93	101	2,173
Credited to other comprehensive income	-	-	-	59	59
Business combinations	4	4	-	-	8
Disposal of subsidiaries	(7)	(11)	-	(2)	(20)
Exchange differences	221	17	17	(145)	110
At 31 December 2025	9,614	5,898	583	4,603	20,698

Deferred tax liabilities

	2024			Total RMB million
	Fair value adjustments of equity investments at fair value through other comprehensive income RMB million	Undistributed profits in subsidiaries RMB million	Others RMB million	
31 December 2023	1,757	1,980	6,730	10,467
(Credited)/charged to profit or loss during the year (note 11)	-	(110)	1,835	1,725
Charged/(credited) to other comprehensive income	1,046	-	(13)	1,033
Business combinations	-	-	210	210
Disposal of subsidiaries	-	-	(25)	(25)
Exchange differences	(62)	-	(173)	(235)
Others	998	-	209	1,207
At 31 December 2024	3,739	1,870	8,773	14,382

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31 December 2025

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

	Impairment of financial and contract assets RMB million	2024			Total RMB million
		Tax losses RMB million	Discount on long- term receivables RMB million	Others RMB million	
31 December 2023	7,074	4,205	452	4,474	16,205
Credited to profit or loss during the year (note 11)	1,311	1,090	83	222	2,706
Charged to other comprehensive income	-	-	-	(345)	(345)
Business combinations	8	-	-	-	8
Disposal of subsidiaries	(13)	(6)	-	(38)	(57)
Exchange differences	(312)	(52)	(62)	277	(149)
At 31 December 2024	8,068	5,237	473	4,590	18,368

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025		2024	
	Deferred tax assets RMB million	Deferred tax liabilities RMB million	Deferred tax assets RMB million	Deferred tax liabilities RMB million
The gross balance	20,698	15,942	18,368	14,382
Offsetting	(7,874)	(7,874)	(6,833)	(6,833)
Total	12,824	8,068	11,535	7,549

The Group has not recognised these losses amounting to RMB27,156 million (2024: RMB26,198 million) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

As at 31 December 2025, the Group's unrecognised deductible provisional difference for deferred tax assets was RMB11,720 million (2024: RMB10,130 million) as the directors believe it is not probable that such deductible temporary differences would be recognised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

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31 December 2025

31. DEFERRED TAX (CONTINUED)

The Group's unrecognised tax losses and deductible provisional difference for deferred tax assets are as follows:

	2025 RMB million	2024 RMB million
Tax losses	27,156	26,198
Deductible provisional difference	11,720	10,130

The above tax losses of RMB80 million are available indefinitely and RMB27,076 million are available within 1 to 5 years for offsetting against future taxable profits of the companies in which the losses arose.

32. RETIREMENT BENEFIT OBLIGATIONS

The Group provided supplementary pension subsidies and medical benefits to its retired or early retired employees in Chinese mainland who retired prior to 1 January 2006, which are considered to be defined benefit plans, and recognised a liability for the unfunded employee benefit obligations in the consolidated statement of financial position as follows:

	2025 RMB million	2024 RMB million
Present value of defined benefit obligations	832	939
Portion classified as current portion	88	95
Non-current portion	744	844

The movements in the present value of the defined benefit obligations are as follows:

	2025 RMB million	2024 RMB million
At 1 January	939	1,009
Past service cost	7	12
Interest cost	11	20
Subtotal	957	1,041
Remeasurements		
– (Losses)/gains from changes in financial assumptions	(12)	51
– Experience gains/(losses)	28	(4)
Subtotal	973	1,088
Payments	(141)	(149)
At 31 December	832	939

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31 December 2025

32. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The above obligations were determined based on actuarial valuation performed by an independent actuary, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch, using the projected unit credit method. The significant actuarial assumptions are as follows:

	2025	2024
Discount rate	1.75%	1.50%
Medical cost growth rate	4.00% – 8.00%	4.00% – 8.00%

A quantitative sensitivity analysis for significant assumptions as at the end of the reporting period is shown below:

	Impact on defined benefit obligations	
	2025 RMB million	2024 RMB million
Discount rate:		
– 0.25% increase	(13)	(16)
– 0.25% decrease	14	16
Medical cost growth rate:		
– 1.00% increase	10	10
– 1.00% decrease	(9)	(9)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the retirement benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the retirement benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The following undiscounted payments are expected contributions to the defined benefit plan in future years:

	2025 RMB million	2024 RMB million
Within 1 year	88	95
1 year to 2 years	95	105
2 years to 5 years	231	255
Over 5 years	515	584
Total	929	1,039

The average duration of the defined benefit plan obligation at the end of the reporting period was 7 years (2024: 7 years).

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33. PROVISIONS

	Provision for foreseeable losses on contract assets <i>RMB million</i>	Repair funds <i>RMB million</i>	Pending lawsuits <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
At 1 January 2025	1,330	1,604	88	270	3,292
Additional provisions	985	336	3	173	1,497
Business combination	-	337	-	-	337
Utilised/reversed during the year	(629)	(17)	(2)	(68)	(716)
Disposal of subsidiaries	-	(178)	-	-	(178)
At 31 December 2025	1,686	2,082	89	375	4,232
Non-current portion	1,686	2,082	89	375	4,232

	Provision for foreseeable losses on contract assets <i>RMB million</i>	Repair funds <i>RMB million</i>	Pending lawsuits <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
At 1 January 2024	1,214	1,699	129	161	3,203
Additional provisions	530	351	19	165	1,065
Business combination	-	20	-	-	20
Other changes in the scope of consolidation	-	90	-	-	90
Utilised/reversed during the year	(414)	(106)	(60)	(56)	(636)
Disposal of subsidiaries	-	(450)	-	-	(450)
At 31 December 2024	1,330	1,604	88	270	3,292
Non-current portion	1,330	1,604	88	270	3,292

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34. SHARE CAPITAL AND PREMIUM

	2025 RMB million	2024 RMB million
Issued and fully paid:		
11,856,168,225 (2024: 11,860,135,425) A shares of RMB1.00 each	11,856	11,860
4,418,476,000 (2024: 4,418,476,000) H shares of RMB1.00 each	4,419	4,419
Total	16,275	16,279

During the year ended 31 December 2025, CCCG, the parent company, increased its shareholding of H shares in the Company by 37,060,000 H shares. Prior to the increase in shareholding, CCCG held 9,672,003,604 shares of the Company (including 9,374,616,604 A shares and 297,387,000 H shares), representing approximately 59.42% of the total issued shares of the Company. Subsequent to the increase in shareholding, CCCG holds 9,709,063,604 shares of the Company (including 9,374,616,604 A shares and 334,447,000 H shares), representing approximately 59.66% of the total issued shares of the Company. As of 31 December 2025, CCCG holds 9,374,616,604 A shares and 334,447,000 H shares of the Company, accounting for approximately 59.66% of the Company's total issued share capital.

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

	Number of shares in issue	Share capital RMB million
At 1 January 2024	16,263,661,425	16,264
Issue of restricted shares (Note (a))	16,450,000	16
Forfeiture of restricted shares (Note (a))	(1,500,000)	(1)
At 31 December 2024 and 1 January 2025	16,278,611,425	16,279
Forfeiture of restricted shares (Note (b))	(3,967,200)	(4)
At 31 December 2025	16,274,644,225	16,275

Note (a): During the year ended 31 December 2024, the Company granted 16,450,000 restricted shares to its employees in the Group, and 1,500,000 restricted shares were repurchased and cancelled.

Note (b): During the year ended 31 December 2025, the Company repurchased and cancelled 3,967,200 restricted shares in the Group.

NOTES TO FINANCIAL STATEMENTS

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35. SHARE-BASED PAYMENTS

On 27 April 2023, the Company's general meeting of shareholders approved the 2022 Restricted Stock Incentive Scheme (the "Scheme"). Subsequently, the Company approved the first grant under the Scheme, and 97,950,000 restricted shares were granted to employees of the Group. On 5 June 2023, the Company completed the registration of the 97,950,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

On 26 January 2024, the board of directors of the Company approved the reserved grant under the Scheme. 16,700,000 restricted shares were granted to employees of the Group. On 21 February 2024, the Company completed the registration of the 16,450,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

The offer for the first grant and the reserved grant of each incentive share was accepted upon payment of RMB5.33 and RMB5.06 for each incentive share by the grantee. The unlocking dates of the incentive shares are the first trading day after 24 months, 36 months and 48 months from the date of share registration. Upon meeting the performance conditions stipulated in the Scheme, 34%, 33% and 33% of the incentive shares shall be unlocked, respectively.

Both the first grant and the reserved grant are share-based payments for equity-settled transactions. The fair value of the shares granted was determined by reference to the market prices of the Company's shares at the grant date. The fair value of the restricted shares granted during the period was RMB629 million (RMB6.42 each) and RMB57 million (RMB3.45 each) on the first and the reserved grant dates, of which the Group recognised a reversal of share-based payment expense of RMB148 million during the year ended 31 December 2025 (2024: RMB240 million).

Particulars and movements of the incentive shares under the scheme:

Date of grant (based on IFRS 2)	As at	Forfeited	Unlocked	Exercisable
	1 January 2025 (number of shares)	during the year (number of shares)	during the period (number of shares)	as at the end of year (number of shares)
27 April 2023	94,700,000	(63,498,200)	(31,201,800)	-
26 January 2024	16,100,000	(10,660,000)	-	5,440,000

36. FINANCIAL INSTRUMENTS CLASSIFIED AS EQUITY

	2025 RMB million	2024 RMB million
Perpetual securities	22,200	31,000

a) Renewable corporate bonds

As approved by the China Securities Regulatory Commission ("CSRC"), two tranches of renewable corporate bonds were issued by the Company in 2021. The first tranche has a nominal value of RMB800 million, and the initial interest rate of this tranche of bonds was 3.6% per annum, which will be reset once every five years since the issuance date. The second tranche has a nominal value of RMB500 million, and the initial interest rate of this tranche of bonds was 3.53% per annum, which will be reset once every five years since the issuance date. There is no maturity date for these bonds and the holders have no right to receive a return of principal. Pursuant to the terms of these bonds, the Company may elect to defer the distribution of interest and is not subject to any restriction as to the number of times the distribution can be deferred. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

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36. FINANCIAL INSTRUMENTS CLASSIFIED AS EQUITY (CONTINUED)

a) Renewable corporate bonds (continued)

As approved by the CSRC, one tranche of renewable corporate bond was issued by the Company in 2022. The bond has a nominal value of RMB900 million, and the initial interest rate of this tranche of bonds was 3.45% per annum, which will be reset once every five years since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

As approved by the CSRC, one tranche of renewable corporate bond was issued by the Company in 2023. The bond has a nominal value of RMB1,500 million, and the initial interest rate of this tranche of bonds was 3.13% per annum, which will be reset once every three years since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligation to redeem the bonds.

As approved by the CSRC, a tranche of renewable corporate bond was issued by the Company in 2024. This tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 2.13% for type one and 2.17% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

As approved by the CSRC, six tranches of renewable corporate bonds were issued by the Company in 2025. The first tranche has a nominal value of RMB2,000 million, and the initial interest rate of this tranche of bonds was 1.85% for type one and 1.99% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The second tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 1.84% for type one and 1.89% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The third tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 1.74% for type one and 1.80% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The fourth tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 1.74% for type one and 1.82% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The fifth tranche has a nominal value of RMB2,000 million, and the initial interest rate of this tranche of bonds was 1.90% per annum, which will be reset once every three years since the issuance date. The sixth tranche has a nominal value of RMB2,500 million, and the initial interest rate of this tranche of bonds was 1.95% for type one and 2.09% for type two per annum, which will be reset once every two years for type one and three years for type two since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

The directors of the Company are of the opinion that the Company has no contractual obligations to repay the principal or to pay any distribution for these renewable financial instruments and therefore these financial instruments have been classified as equity.

NOTES TO FINANCIAL STATEMENTS

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37. RESERVES

	Capital reserve	Statutory surplus reserve	General reserve	Remeasurement reserve	Investment revaluation reserve	Hedging reserve	Safety production reserve	Exchange reserve	Retained earnings	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2025	18,392	12,705	1,423	(100)	14,378	29	5,321	(596)	195,082	246,634
Profit for the year	-	-	-	-	-	-	-	-	14,995	14,995
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	839	-	-	-	-	839
Cash flow hedges, net of tax	-	-	-	-	-	(22)	-	-	-	(22)
Share of other comprehensive income of joint ventures and associates	-	-	-	-	3	-	-	-	-	3
Share of other reserves of joint ventures and associates	57	-	-	-	-	-	-	-	-	57
Actuarial loss on retirement benefit obligations, net of tax	-	-	-	(13)	-	-	-	-	-	(13)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(356)	-	(356)
Issuance of perpetual securities	(15)	-	-	-	-	-	-	-	-	(15)
Final 2024 and mid-term 2025 dividend declared	-	-	-	-	-	-	-	-	(4,544)	(4,544)
Share based payment	(148)	-	-	-	-	-	-	-	-	(148)
Transaction with non-controlling interests	(3,745)	-	-	-	-	-	-	-	-	(3,745)
Interest on perpetual securities	-	-	-	-	-	-	-	-	(659)	(659)
Transfer to statutory surplus reserve (a)	-	1,732	-	-	-	-	-	-	(1,732)	-
Transfer from general reserve (b)	-	-	(91)	-	-	-	-	-	91	-
Transfer to safety production reserve (c)	-	-	-	-	-	-	244	-	(244)	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	(741)	-	-	-	741	-
At 31 December 2025	14,541	14,437	1,332	(113)	14,479	7	5,565	(952)	203,730	253,026

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31 December 2025

37. RESERVES (CONTINUED)

	Capital reserve	Statutory surplus reserve	General reserve	Remeasurement reserve	Investment revaluation reserve	Hedging reserve	Safety production reserve	Exchange reserve	Retained earnings	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 31 December 2023	22,058	11,285	873	(65)	10,418	(4)	4,851	305	181,222	230,943
Business combination under common control	39	-	-	-	-	-	-	-	(6)	33
At 1 January 2024	22,097	11,285	873	(65)	10,418	(4)	4,851	305	181,216	230,976
Profit for the year	-	-	-	-	-	-	-	-	23,854	23,854
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	5,307	-	-	-	-	5,307
Cash flow hedges, net of tax	-	-	-	-	-	33	-	-	-	33
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	(283)	-	-	-	-	(283)
Share of other reserves of joint ventures and associates	28	-	-	-	-	-	-	-	-	28
Actuarial loss on retirement benefit obligations, net of tax	-	-	-	(35)	-	-	-	-	-	(35)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(901)	-	(901)
Issuance of perpetual securities	(1)	-	-	-	-	-	-	-	-	(1)
Final 2023 and mid-term 2024 dividend declared	-	-	-	-	-	-	-	-	(7,042)	(7,042)
Share based payment	240	-	-	-	-	-	-	-	-	240
Business combination under common control	(66)	-	-	-	-	-	-	-	-	(66)
Transaction with non-controlling interests	(3,906)	-	-	-	-	-	-	-	-	(3,906)
Interest on perpetual securities	-	-	-	-	-	-	-	-	(1,570)	(1,570)
Transfer to statutory surplus reserve (a)	-	1,420	-	-	-	-	-	-	(1,420)	-
Transfer to general reserve (b)	-	-	550	-	-	-	-	-	(550)	-
Transfer to safety production reserve (c)	-	-	-	-	-	-	470	-	(470)	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	(1,064)	-	-	-	1,064	-
At 31 December 2024	18,392	12,705	1,423	(100)	14,378	29	5,321	(596)	195,082	246,634

37. RESERVES (CONTINUED)

(a) Statutory surplus reserve

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to appropriate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP") and regulations applicable to the Company, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to owners. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

For the year ended 31 December 2025, the board of directors proposed an appropriation of 10% (2024: 10%) of the Company's profit after tax, as determined under PRC GAAP, of RMB1,732 million (2024: RMB1,420 million) to the statutory surplus reserve.

(b) General reserve

CCCC Finance, one of the subsidiaries of the Company, is required by the Ministry of Finance to maintain a general reserve within equity, through the appropriation of profit, which should not be less than 1.5% of the year-end balance of its risk assets.

The general reserve balance of CCCC Finance as at 31 December 2025 amounted to RMB1,332 million (2024: RMB1,423 million).

(c) Safety production reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a safety production reserve at different rates ranging from 1.5% to 2% of the total construction contract revenue recognised for the year. The reserve can be utilised for improvements of safety on the construction work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and at the same time the corresponding amounts of safety production reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

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38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Percentage of equity interests held by non-controlling interests:

	2025 <i>(%)</i>	2024 <i>(%)</i>
CCCC First Highway Engineering Group Co., Ltd.	18.46	18.74
CCCC Construction Group Co., Ltd.	16.30	19.85
CCCC First Harbour Engineering Co., Ltd.	8.80	13.08
CCCC Second Harbour Engineering Co., Ltd.	12.24	22.99
Road & Bridge International Co., Ltd.	15.43	25.22
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	49.00	49.00
CCCC Design Consulting Group Co., Ltd.	49.26	50.87
Gansu Qilianshan Cement Group Co., Ltd.	15.00	15.00

Profit for the year allocated to non-controlling interests:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
CCCC First Highway Engineering Group Co., Ltd.	71	217
CCCC Construction Group Co., Ltd.	92	186
CCCC First Harbour Engineering Co., Ltd.	127	188
CCCC Second Harbour Engineering Co., Ltd.	219	283
Road & Bridge International Co., Ltd.	156	203
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	4	–
CCCC Design Consulting Group Co., Ltd.	720	914
Gansu Qilianshan Cement Group Co., Ltd.	1	82

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38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (continued)

Dividends distributed to non-controlling interests:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
CCCC First Highway Engineering Group Co., Ltd.	345	389
CCCC Construction Group Co., Ltd.	218	292
CCCC First Harbour Engineering Co., Ltd.	175	241
CCCC Second Harbour Engineering Co., Ltd.	340	395
Road & Bridge International Co., Ltd.	244	300
CCCC Design Consulting Group Co., Ltd.	262	349
Gansu Qilianshan Cement Group Co., Ltd.	40	–

Accumulated balances of non-controlling interests at the reporting date:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
CCCC First Highway Engineering Group Co., Ltd.	2,945	3,332
CCCC Construction Group Co., Ltd.	1,517	2,229
CCCC First Harbour Engineering Co., Ltd.	1,178	1,925
CCCC Second Harbour Engineering Co., Ltd.	2,027	4,023
Road & Bridge International Co., Ltd.	1,747	3,090
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	2,359	2,301
CCCC Design Consulting Group Co., Ltd.	8,172	7,914
Gansu Qilianshan Cement Group Co., Ltd.	1,446	1,741

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38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2025	CCCC First				CCCC (Tianjin)			
	Highway Engineering Group Co., Ltd. RMB million	CCCC Construction Group Co., Ltd. RMB million	CCCC First Harbour Engineering Co., Ltd. RMB million	CCCC Second Harbour Engineering Co., Ltd. RMB million	Road & Bridge International Co., Ltd. RMB million	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd. RMB million	CCCC Design Consulting Group Co., Ltd. RMB million	Gansu Qilianshan Cement Group Co., Ltd. RMB million
Revenue	114,923	33,922	51,156	75,379	58,399	327	10,963	5,160
Profit for the year	1,326	213	1,135	1,733	1,626	9	1,465	302
Total comprehensive income	1,359	147	1,060	1,734	1,553	9	1,452	302
Current assets	115,171	48,208	51,408	91,078	38,850	624	21,446	2,608
Non-current assets	169,403	65,282	45,838	62,365	77,435	15,279	9,311	10,404
Current liabilities	159,357	69,651	64,416	94,779	54,999	54	11,821	3,261
Non-current liabilities	79,756	25,519	11,875	27,886	33,263	10,416	2,630	644
Net cash flows generated from operating activities	3,971	20	1,847	3,349	436	468	353	1,059
Net cash flows (used in)/generated from investing activities	(9,080)	(2,133)	(2,637)	(1,784)	(12,535)	-	6	(810)
Net cash flows (used in)/generated from financing activities	10,919	4,890	(1,238)	(3,424)	10,908	(30)	(354)	79
Exchange losses on cash and cash equivalents	-	-	(1)	(17)	-	-	(9)	-
Net increase/(decrease) in cash and cash equivalents	5,810	2,777	(2,029)	(1,876)	(1,191)	438	(4)	328

NOTES TO FINANCIAL STATEMENTS

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38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (continued)

2024	CCCC				CCCC (Tianjin)				CCCC (Tianjin)			
	(Beijing) One-term Equity Investment Fund LLP	CCCC First Highway Engineering Group Co., Ltd.	CCCC Second Highway Engineering Co., Ltd.	CCCC Construction Group Co., Ltd.	CCCC First Harbour Engineering Co., Ltd.	CCCC Second Harbour Engineering Co., Ltd.	CCCC Forth Harbour Engineering Co., Ltd.	Road & Bridge International Co., Ltd.	CCCC Urban Investment Holding Co., Ltd.	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	CCCC (Tianjin) Design Consulting Group Co., Ltd.	Gansu Qilianshan Cement Group Co., Ltd.
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Revenue	-	130,967	76,496	35,382	52,705	80,430	51,519	57,524	9,665	225	12,323	5,224
Profit for the year	1	2,877	2,482	551	1,553	2,318	2,715	2,416	1,473	-	1,787	351
Total comprehensive income	1	2,943	2,524	503	1,599	2,309	2,749	2,474	1,486	-	1,778	351
Current assets	122	102,983	39,454	42,985	50,979	76,736	33,595	36,396	46,026	151	21,031	2,579
Non-current assets	6,878	140,614	60,474	53,599	43,878	64,651	66,028	68,670	41,002	16,515	9,712	10,177
Current liabilities	57	141,401	60,090	60,462	61,331	83,793	45,229	51,169	27,777	3,582	12,207	3,175
Non-current liabilities	-	57,376	17,939	17,136	12,373	26,422	25,090	27,647	33,263	7,714	3,175	408
Net cash flows (used in)/generated from operating activities	(23)	4,912	4,117	(2,261)	2,554	2,127	3,237	1,135	(1,875)	(2,192)	(306)	1,264
Net cash flows (used in)/generated from investing activities	2,454	(6,525)	(552)	(1,278)	(375)	1,600	(5,358)	(5,956)	(5,142)	-	875	(366)
Net cash flows (used in)/generated from financing activities	(2,431)	7,716	(2,358)	3,375	1,142	985	3,612	5,876	9,882	2,306	622	(1,040)
Exchange gains/(losses) on cash and cash equivalents	-	-	(3)	-	-	(12)	(3)	1	-	-	5	-
Net increase/(decrease) in cash and cash equivalents	-	6,103	1,204	(164)	3,321	4,700	1,488	1,056	2,865	114	1,196	(142)

NOTES TO FINANCIAL STATEMENTS

31 December 2025

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group has below significant non-cash transactions:

	2025 RMB million	2024 RMB million
Increase in right-of-use assets(excluding leasehold land)	2,175	2,437
Bank acceptance bills endorsed settlement of trade and other payables	1,250	640

(b) Changes in liabilities arising from financing activities

2025	Bank and other loans RMB million	Lease liabilities RMB million	Corporate bonds RMB million	Debentures RMB million	Non- public debt instruments RMB million	Dividend RMB million	Stock repurchase RMB million	Total RMB million
At 31 December 2024	548,700	3,683	37,147	7,522	20,695	4,932	597	623,276
Changes from financing cash flows	32,363	(1,847)	3,383	5,409	7,764	(11,741)	(257)	35,074
New leases	-	2,068	-	-	-	-	-	2,068
Foreign exchange movement	62	131	-	-	-	-	-	193
Declared dividends	-	-	-	-	-	10,974	-	10,974
Interest expense	19,652	211	1,097	552	582	-	-	22,094
Interest paid classified as operating cash flows	32,850	-	-	-	-	-	-	32,850
Decrease arising from disposal of subsidiaries	(7,861)	(2)	-	-	-	-	-	(7,863)
Others	3,788	(80)	(801)	553	-	-	70	3,530
At 31 December 2025	629,554	4,164	40,826	14,036	29,041	4,165	410	722,196

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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (continued)

2024	Bank and other loans <i>RMB million</i>	Lease liabilities <i>RMB million</i>	Corporate bonds <i>RMB million</i>	Debentures <i>RMB million</i>	Non- public debt instruments <i>RMB million</i>	Dividend <i>RMB million</i>	Stock repurchase <i>RMB million</i>	Total <i>RMB million</i>
At 31 December 2023	482,657	2,776	22,835	6,030	17,571	2,775	522	535,166
Changes from financing cash flows	49,905	(1,607)	12,332	853	1,961	(12,194)	(8)	51,242
New leases	–	2,400	–	–	–	–	–	2,400
Foreign exchange movement	(85)	69	–	–	–	–	–	(16)
Declared dividends	–	–	–	–	–	14,350	–	14,350
Interest expense	20,931	200	873	679	606	–	–	23,289
Increase arising from acquisition of subsidiaries	13,213	4	–	–	–	3	–	13,220
Decrease arising from disposal of subsidiaries	(26,070)	–	–	–	564	(2)	–	(25,508)
Others	8,149	(159)	1,107	(40)	(7)	–	83	9,133
At 31 December 2024	548,700	3,683	37,147	7,522	20,695	4,932	597	623,276

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Within operating activities	3,409	2,534
Within investing activities	440	671
Within financing activities	1,847	1,607
Total	5,696	4,812

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40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE COMMITMENT

(i) Claims

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,743 million (31 December 2024: RMB4,347 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

(ii) Loan guarantees

- (a) The Group has acted as the guarantor for several borrowings of RMB2,518 million (31 December 2024: RMB3,522 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.
- (b) The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 31 December 2025, the outstanding balance of guarantees provided by the Group was approximately RMB5,098 million (31 December 2024: RMB4,592 million).

(iii) Liquidity support

The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 31 December 2025, out of the ABS and ABN in issue with an aggregate amount of RMB74,018 million (31 December 2024: RMB71,254 million), RMB54,287 million (31 December 2024: RMB59,784 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 31 December 2025, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

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41. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries not under common control

During the year ended 31 December 2025, the Group obtained control over several companies from certain independent third parties at a total consideration of RMB5,410 million. The Group has elected to measure the non-controlling interests in these companies at the non-controlling interests' proportionate shares of the identifiable net assets of these companies.

The fair values of identifiable assets and liabilities of all the acquired companies at the date of acquisition were as follows:

	Acquisition date fair value RMB million
Non-current assets	14,252
Current assets	6,429
Current liabilities	(5,059)
Non-current liabilities	(9,658)
Total identifiable net assets at fair value	5,964
Non-controlling interests	(540)
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	(14)
Consideration	5,410

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	2025 RMB million
Cash consideration	3,425
Cash and bank balances acquired	208
Net outflow of cash and cash equivalents included in cash flows from investing activities	3,217

Since the acquisition, the acquirees contributed RMB893 million to the Group's revenue and generated an income of RMB61 million to the Group's profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been RMB726,940 million and RMB21,096 million, respectively.

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31 December 2025

41. BUSINESS COMBINATIONS (CONTINUED)

(b) Acquisition of non-controlling interests

During the year ended 31 December 2025, the Group entered into Share Sale and Purchase Agreements with six investors (the "Investors").

Pursuant to the Share Sale and Purchase Agreements, the Group agreed to acquire additional interests in the voting shares of certain subsidiaries of the Company, CCCC First Harbour Engineering Co., Ltd., CCCC Second Harbour Engineering Co., Ltd., CCCC Fourth Harbour Engineering Co., Ltd., Road & Bridge International Co., Ltd., CCCC Second Highway Engineering Co., Ltd., CCCC Construction Group Co., Ltd. and CCCC Urban Investment Holding Co., Ltd. ("Target Companies") for cash consideration of approximately RMB11,800 million in aggregate. The carrying value of the net assets of the Target Companies (excluding goodwill on the original acquisition) at that date was RMB 8,178 million in aggregate. The following is a schedule of the additional interests acquired in the Target Companies:

	2025 <i>RMB million</i>
Cash consideration paid to non-controlling shareholders	11,800
Carrying value of the additional interest in Target Companies	(8,178)
Difference recognised in other reserves	3,622

(c) Asset acquisition

During the year ended 31 December 2025, the Group acquired the majority shareholdings previously held by third parties in Guangxi Zhongjiao Guilong Expressway Co., Ltd. ("Guilong") and Guizhou Zhongjiao Yanyinsong Highway Development Co., Ltd. ("Yanyinsong") at a total cash consideration of RMB7,129 million and obtained control over the companies. On an acquisition-by-acquisition basis, the Group determined that the acquisitions were asset acquisitions rather than business acquisitions since substantially all of the fair value of the gross assets acquired was concentrated on a single identifiable asset of the acquired companies.

The financial information of the relevant assets at the time of acquisition is listed as follows:

	Acquisition date <i>RMB million</i>
Intangible assets	28,747
Other assets	4,581
Total liabilities	(26,199)
Fair value of identifiable net assets on acquisition date	7,129
Consideration	7,129
Satisfied by cash	2,100
Book value of the equity interests previously held by the Group	5,029

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. BUSINESS COMBINATIONS (CONTINUED)

(c) Asset acquisition (continued)

An analysis of the cash flows in respect of the asset acquisition is as follows:

	2025 <i>RMB million</i>
Cash paid for asset acquisition	2,100
Cash and bank balances of assets acquired	34
Net outflow of cash and cash equivalents in respect of asset acquisition	2,066

42. DISPOSAL OF SUBSIDIARIES

The subsidiaries of the Company such as Lekki Port Investment Holding Inc., and Zhejiang Haigang Water Transport Planning and Design Co., Ltd. were disposed of at a total consideration of RMB7,003 million. Upon completion of these transactions, the Group no longer has control over these companies.

(i) The financial information of subsidiaries disposed of by the Group at the date of disposal is as follows:

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Non-current assets	19,716	34,046
– Intangible assets (<i>note 17</i>)	14,830	29,042
Current assets	2,237	11,277
Current liabilities	(6,955)	(7,210)
Non-current liabilities	(7,772)	(27,552)
Subtotal	7,226	10,561
Non-controlling interests	(1,231)	(614)
Exchange fluctuation reserve	(245)	–
Subtotal	5,750	9,947
Gains on disposal of subsidiaries (<i>note 5</i>)	1,253	2,219
Total considerations	7,003	12,166
Represented by:		
Fair values of residual interests in joint ventures	962	879
Fair values of residual interests in associates	305	96
Financial assets at fair value through profit or loss	–	8
Financial assets at fair value through other comprehensive income	–	12
Consideration	5,736	11,171
Total	7,003	12,166

NOTES TO FINANCIAL STATEMENTS

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42. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(ii) An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	2025 RMB million	2024 RMB million
Cash received from disposal of subsidiaries in current year	5,736	8,528
Cash and bank balances of subsidiaries disposed of	(817)	(4,266)
Cash received from disposal of subsidiaries in prior years	1,238	1,297
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	6,157	5,559

43. PLEDGE OF ASSETS

(a) At 31 December 2025, the restricted deposits were RMB10,920 million (2024: RMB6,705 million).

(b) Details of the Group's assets secured for interest-bearing bank and other borrowings are as follows:

	2025 RMB million	2024 RMB million
Property, plant and equipment (note 14)	5,004	3,680
Right-of-use assets (note 16(a))	10,830	9,388
Concession assets and trade receivables from PPP projects (note 17, note 25)	395,031	353,893
Inventories (note 23)	32,369	20,806
Trade and other receivables (excluding PPP projects) (note 25)	33,939	40,415
Total	477,173	428,182

44. COMMITMENTS

(i) Capital expenditure commitments

Capital expenditure contracted for but not yet incurred at the end of the reporting period was as follows:

	2025 RMB million	2024 RMB million
Intangible assets – concession assets	108,126	111,827
Property, plant and equipment	1,786	1,411
Others	–	921
Total	109,912	114,159

44. COMMITMENTS (CONTINUED)

(ii) Other commitment

In accordance with the financial services framework agreement between CCCC Finance and CCCG, CCCC Finance provides financial services to CCCG and its subsidiaries. In 2025, the maximum daily balance of loan services under the deposit services and loan services framework agreement was RMB9,270 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement was RMB7,004 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement was RMB2,274 million.

45. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2025 RMB million	2024 RMB million
Transactions with CCCG		
– Revenue from the provision of construction services and construction-related services	4,576	6,484
– Rental charges	308	300
– Interest expenses on deposits placed in CCCC Finance	7	7
– Loans to CCCG by CCCC Finance	–	1,000
– Interest income from loans provided by CCCC Finance	7	54
– Other borrowings from CCCG	10,540	13,413
– Interest expenses on loans	225	164
Transactions with fellow subsidiaries		
– Revenue from the provision of construction and construction-related services	5,913	7,923
– Revenue from sale of goods	495	579
– Rental income	39	59
– Interest expenses on deposits placed in CCCC Finance	154	156
– Interest expenses on loans	2	8
– Purchases of materials	1,597	2,442
– Subcontracting and service charges	1,529	2,333
– Rental charges	26	35
– Loans to fellow subsidiaries by CCCC Finance	2,100	2,640
– Interest income from loans provided by CCCC Finance	53	63
– Factoring to fellow subsidiaries	98	607
– Interest income from factoring	12	33
– Finance lease loans to fellow subsidiaries	889	894
– Interest income from finance lease loans	58	52

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45. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (continued)

	2025 RMB million	2024 RMB million
Transactions with fellow subsidiaries' joint ventures and associates		
– Interest income from finance lease loans	–	1
– Interest income from factoring	–	10
– Revenue from the provision of construction and construction-related services	56	666
Transactions with joint ventures and associates		
– Revenue from the provision of construction and construction-related services	33,732	48,065
– Revenue from sale of goods	16	102
– Purchases of materials	135	209
– Subcontracting and service charges	532	579
– Rental income	11	38
– Interest expense on deposits placed in CCCC Finance	29	31
– Loans from joint ventures and associates	1,062	5,071
– Interest expenses on loans	16	36
– Interest income from loans by CCCC Finance	5	7
– Loans to joint ventures and associates	6,318	9,699
– Interest income from other loans	438	496
– Factoring to joint ventures and associates	44	160
– Interest income from factoring	2	16
– Finance lease loans to joint ventures and associates	80	–
– Interest income from finance lease loans	17	54

These transactions were carried out by reference to the prices and terms that would be available to third parties in the ordinary course of business.

ZPMC is an associate and also a fellow subsidiary of the Company. The transaction with ZPMC and its subsidiaries for 2025 and 2024, and the outstanding balances with ZPMC and its subsidiaries as at 31 December 2025 and 31 December 2024 were included in the category of transactions and balances with fellow subsidiaries.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

Balances with related parties other than government-related entities:

	2025 RMB million	2024 RMB million
Trade and bills receivables due from		
– CCCG	904	637
– Fellow subsidiaries	3,054	2,863
– Joint ventures and associates	7,955	7,892
– Fellow subsidiaries' joint ventures	63	31
Subtotal	11,976	11,423
Long-term trade receivables due from		
– CCCG	3,989	2,930
– Fellow subsidiaries	5,887	6,440
– Joint ventures and associates	28,392	26,120
– Fellow subsidiaries' joint ventures	471	223
Subtotal	38,739	35,713
Prepayments to		
– Fellow subsidiaries	753	577
– Joint ventures and associates	761	266
– Fellow subsidiaries' joint ventures	5	–
Subtotal	1,519	843
Other receivables due from*		
– CCCG	521	1,487
– Fellow subsidiaries	4,424	4,709
– Joint ventures and associates	9,185	9,803
Subtotal	14,130	15,999
Contract assets		
– CCCG	479	–
– Fellow subsidiaries	2,390	93
– Joint ventures and associates	7,830	7,845
– Fellow subsidiaries' joint ventures	–	9
Subtotal	10,699	7,947
Total	77,063	71,925

* Except for those loans to related parties included in other receivables which are interest-bearing, outstanding balances with related parties are unsecured, interest-free and repayable in cash.

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45. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties (continued)

Balances with related parties other than government-related entities: (continued)

	2025 RMB million	2024 RMB million
Trade and bills payables due to		
– Fellow subsidiaries	4,308	4,595
– Joint ventures and associates	1,653	1,891
– Fellow subsidiaries' joint ventures	35	20
Subtotal	5,996	6,506
Long-term trade payables due to		
– Fellow subsidiaries	2,474	2,573
– Joint ventures and associates	678	1,153
– Fellow subsidiaries' joint ventures	2	1
Subtotal	3,154	3,727
Contract liabilities		
– CCCG	447	320
– Fellow subsidiaries	895	1,080
– Joint ventures and associates	3,963	4,803
– Fellow subsidiaries' joint ventures	37	27
Subtotal	5,342	6,230
Other payables*		
– CCCG	12,055	12,465
– Fellow subsidiaries	13,203	17,479
– Joint ventures and associates	9,199	8,918
– Fellow subsidiaries' joint ventures	10	1
Subtotal	34,467	38,863
Other borrowings		
– Fellow subsidiaries	250	50
Lease liabilities		
– Fellow subsidiaries	1	9
– Joint ventures and associates	135	123
Subtotal	136	132
Total	49,345	55,508

* Including deposits from related parties.

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45. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Guarantees with related parties:

	2025 RMB million	2024 RMB million
Outstanding loan guarantees provided to		
– Joint ventures	712	1,707
– Associates	1,806	1,815
Total	2,518	3,522
Outstanding guarantees provided by CCCG	9,103	9,102

(d) Commitments with related parties:

	2025 RMB million	2024 RMB million
Provision of construction services		
– CCCG	6,413	6,602
– Fellow subsidiaries	18,038	17,343
– Joint ventures and associates	72,740	80,446
– Fellow subsidiaries' joint ventures	1,654	1,698
Total	98,845	106,089
Purchase of services and goods		
– Fellow subsidiaries	3,140	2,779
– Joint ventures and associates	270	858
Total	3,410	3,637

(e) Key management compensation:

	2025 RMB '000	2024 RMB '000
Short term employee benefits	6,183	10,689
Post-employment benefits	499	659
Total	6,682	11,348

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45. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Equity transactions with related parties

During the year ended 31 December 2025, the Group contributed RMB26 million in total to share capitals of companies set up together with fellow subsidiaries of CCCG.

(g) Other transactions with related parties

- a) As of 31 December 2025, CCC Finance, a subsidiary of the Company, provided migrant workers' wage guarantees, advance payment guarantees and performance guarantees to related parties in the amount of RMB42 million (31 December 2024: RMB913 million).
- b) As of 31 December 2025, the outstanding balances of the bond investments in China Communications Real Estate Group Co., Ltd., held by CCC Finance, was RMB300 million and during the year, the interest of RMB37 million was accrued and recovered. The outstanding balance of the bond investments in China Urban and Rural Construction Development Co., Ltd. held by CCC Finance was RMB50 million and during the year, the interest of RMB1 million was accrued and recovered.
- c) In August 2025, China International Water & Electric Corp. ("CIWE"), CCC Second Highway Engineering Co., Ltd., and CCC-SHEC Seventh Highway Engineering Co., Ltd. ("Seventh Highway Engineering") entered into a capital increase agreement, with CIWE increasing its capital in Seventh Highway Engineering by RMB346 million. After the completion of this transaction, CIWE will hold 55% of the equity in Seventh Highway Engineering and the equity in Seventh Highway Engineering held by CCC Second Highway Engineering Co., Ltd. will be reduced from 100% to 45%.
- d) In 2025, CIWE transferred 30% of the equity in 100MW photovoltaic power station project in Jwaneng, Botswana to the Company's subsidiary, CHEC involving a one-off connected transaction amounting to approximately RMB2 million.
- e) In 2025, CCCG Real Estate Co., Ltd. and the Company's subsidiaries, CCC-FHEC Urban Investment Development (Tianjin) Co., Ltd. and CCC Urban Investment Holding Co., Ltd., reduced the capital of Guangxi CCC Urban Investment Development Co., Ltd. by a total of RMB150 million in the ratio of 40%, 30%, and 30%, and received reduction payments of RMB60 million, RMB45 million, and RMB45 million, respectively.

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46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total RMB million
	Debt investments RMB million	Equity investments RMB million	Held for trading RMB million		
Financial assets at fair value through profit or loss	-	-	27,735	-	27,735
Equity investments at fair value through other comprehensive income	-	26,951	-	-	26,951
Derivative financial instruments	-	-	289	-	289
Debt investments at amortised cost	-	-	-	541	541
Trade and other receivables excluding prepayments and other non-financial assets	1,091	-	-	620,704	621,795
Cash and cash equivalents	-	-	-	151,056	151,056
Total	1,091	26,951	28,024	772,301	828,367

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB million	Financial liabilities at amortised cost RMB million	Total RMB million
Borrowings (excluding lease liabilities)	-	713,456	713,456
Derivative financial instruments	34	-	34
Trade and bills payables (note 28)	-	445,115	445,115
Deposits from suppliers (note 27)	-	49,372	49,372
Retentions (note 28)	-	87,162	87,162
Deposits in CCCC Finance (note 27)	-	15,940	15,940
Financial liabilities included in other payables and accruals	-	63,350	63,350
Total	34	1,374,395	1,374,429

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46. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2024

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total RMB million
	Debt investments RMB million	Equity investments RMB million	Held for trading RMB million	RMB million	
Financial assets at fair value through profit or loss	–	–	27,931	–	27,931
Equity investments designated at fair value through other comprehensive income	–	27,180	–	–	27,180
Derivative financial instruments	–	–	419	–	419
Debt investments at amortised cost	–	–	–	1,322	1,322
Trade and other receivables excluding prepayments and other non-financial assets	1,134	–	–	550,693	551,827
Cash and bank balances	–	–	–	142,481	142,481
Total	1,134	27,180	28,350	694,496	751,160

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB million	Financial liabilities at amortised cost RMB million	Total RMB million
Borrowings (excluding lease liabilities)	–	614,062	614,062
Trade and bills payables (note 28)	–	425,779	425,779
Deposits from suppliers (note 27)	–	47,705	47,705
Retentions (note 28)	–	72,552	72,552
Deposits in CCCC Finance (note 27)	–	20,966	20,966
Financial liabilities included in other payables and accruals	–	53,815	53,815
Total	–	1,234,879	1,234,879

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47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than lease liabilities and those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB million	2024 RMB million	2025 RMB million	2024 RMB million
Financial liabilities				
Non-current				
Bank borrowings	420,707	388,024	420,622	387,939
Corporate bonds	34,151	33,662	33,378	32,876
Non-public debt instruments	24,599	16,625	24,290	15,834
Other borrowings (other than lease liabilities)	4,585	4,922	4,797	5,125
Total	484,042	443,233	483,087	441,774

Management has assessed that the fair values of cash and bank balances, financial assets included in trade and other receivables, and financial liabilities included in trade and other payables approximate to their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and non-public debt instruments (excluding lease liabilities) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and non-public debt instruments (excluding lease liabilities) as at 31 December 2025 were assessed to be insignificant.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation models used mainly comprise the discounted cash flow model and the market comparable corporate model. The inputs of the valuation technique mainly include future cash flows, PBR (price/book ratio) of companies in same category and unit prices of comparable property.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments, including forward currency contracts, interest rate swaps and total return swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts interest rate swaps and total return swaps are the same as their fair values.

As at 31 December 2025, the mark-to-market value of the derivative asset position was net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value measurement categorised within level 3 adopts discounted cash flow method. The unobservable inputs are weighted average capital costs and long-term growth rates.

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31 December 2025

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments have been estimated by the most appropriate valuation techniques based on assumptions that are not supported by observable market prices or rates, including: (i) market approach by using initial cost of the investment itself or a multiple of earnings, or of revenue depending on the stage of development of an enterprise; and (ii) income approach by using the discounted cash flows or earnings of underlying business based on reasonable assumptions and estimations of expected future cash flows (or expected future earnings), the terminal value, and the appropriate risk-adjusted rate that captures the risk inherent in the projections.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by financial institutions in Chinese mainland. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB million
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	
Assets				
Bills receivable	-	1,091	-	1,091
Equity investments designated at fair value through other comprehensive income	21,762	-	5,189	26,951
Financial assets at fair value through profit or loss	941	-	26,794	27,735
Derivative financial instruments				
– Interest rate swap	-	13	-	13
– Foreign exchange option	-	-	276	276
Total	22,703	1,104	32,259	56,066
Liabilities				
Derivative financial instruments				
– Forward currency contracts	-	34	-	34

NOTES TO FINANCIAL STATEMENTS

31 December 2025

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets and liabilities measured at fair value: (continued)

As at 31 December 2024

	Fair value measurement using			Total RMB million
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	
Assets				
Bills receivable	–	1,134	–	1,134
Equity investments designated at fair value through other comprehensive income	21,994	–	5,186	27,180
Financial assets at fair value through profit or loss	672	–	27,259	27,931
Derivative financial instruments				
– Interest rate swap	–	42	–	42
– Foreign exchange option	–	–	377	377
Total	22,666	1,176	32,822	56,664
Liabilities				
Derivative financial instruments				
– Forward currency contracts	–	–	–	–

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB million	2024 RMB million
At 1 January	32,822	32,247
Total losses recognised in the consolidated statement of profit or loss included in other gains	(1,052)	(1,059)
Total (losses)/gains recognised in other comprehensive income	(437)	24
Purchases	8,349	6,975
Disposals	(7,423)	(5,365)
At 31 December	32,259	32,822

NOTES TO FINANCIAL STATEMENTS

31 December 2025

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			Total RMB million
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	
Bank borrowings	-	420,622	-	420,622
Corporate bonds	4,000	29,378	-	33,378
Non-public debt instruments	-	24,290	-	24,290
Other borrowings (other than lease liabilities)	-	4,797	-	4,797
Total	4,000	479,087	-	483,087

As at 31 December 2024

	Fair value measurement using			Total RMB million
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	
Bank borrowings	-	387,939	-	387,939
Corporate bonds	4,000	28,876	-	32,876
Non-public debt instruments	-	15,834	-	15,834
Other borrowings (other than lease liabilities)	-	5,125	-	5,125
Total	4,000	437,774	-	441,774

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance department under policies approved by the board of directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

The functional currency of the majority of the entities within the Group is RMB. Most of the Group's transactions are based and settled in RMB. Foreign currencies are used to settle the Group's revenue from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers, and certain expenses.

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC Government.

As at 31 December 2025, the Group's aggregate net assets of RMB17,152 million, including trade and other receivables, cash and bank balances, trade and other payables and borrowings, were denominated in foreign currencies, mainly USD.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and a portion of those risks is hedged by using derivative financial instruments when management considers necessary.

As at 31 December 2025, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, pre-tax profit for the year would have been decreased/increased by approximately RMB1,114 million (2024: RMB155 million), mainly as a result of foreign exchange losses/gains on translation of USD-denominated trade and other receivables, cash and cash equivalents.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statement of financial position either as equity investments designated at fair value through other comprehensive income or financial assets or financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarises the impact of increases/decreases of quoted price in open markets on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that the equity price had increased/decreased by 10% with all other variables held constant:

	2025	2024
Increase/decrease in quoted price in open markets	10%	10%

	2025 RMB million	2024 RMB million
Impact on profit before tax for the year	21	33
Impact on equity (excluding retained profits)	2,176	2,199

(iii) Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2025 and 2024, the Group's borrowings at variable rates were mainly denominated in RMB, USD, Euro and Hong Kong dollar.

Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Increase in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have an adverse effect on the Group's financial position. Management continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings, although the directors did not consider it was necessary to do so in 2025 and 2024.

As at 31 December 2025, the Group's borrowings of approximately RMB391,055 million (31 December 2024: RMB353,154 million) were at variable rates. As at 31 December 2025, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have decreased/increased by RMB3,911 million (31 December 2024: RMB3,532 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

The carrying amounts of cash and bank balances, trade and other receivables except for prepayments and derivative financial instruments, represent the Group's maximum exposure to credit risk in relation to financial assets.

Maximum exposure and year-end staging as at 31 December 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are net carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Simplified approach	Total
	Stage 1 RMB million	Stage 2 RMB million	Stage 3 RMB million	RMB million		
Contract assets*	-	-	-	585,719	585,719	
Trade and other receivables*	379,850	42,956	1,445	159,576	583,827	
Debt investments at amortised cost	-	-	541	-	541	
Restricted bank deposits and time deposits with an initial term of over three months						
– Not yet past due	11,226	-	-	-	11,226	
Cash and cash equivalents						
– Not yet past due	139,830	-	-	-	139,830	
Guarantees given to banks in connection with facilities granted to an associate and joint ventures	2,518	-	-	-	2,518	
Total	533,424	42,956	1,986	745,295	1,323,661	

NOTES TO FINANCIAL STATEMENTS

31 December 2025

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Total RMB million
	Stage 1 RMB million	Stage 2 RMB million	Stage 3 RMB million	Simplified approach RMB million	
Contract assets*	–	–	–	513,746	513,746
Trade and other receivables*	362,833	46,594	1,531	139,771	550,729
Debt investments at amortised cost	–	–	1,322	–	1,322
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	7,507	–	–	–	7,507
Cash and cash equivalents					
– Not yet past due	134,974	–	–	–	134,974
Guarantees given to banks in connection with facilities granted to an associate and joint ventures	3,522	–	–	–	3,522
Total	508,836	46,594	2,853	653,517	1,211,800

* For contract assets, trade and other receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 and note 25 to the financial statements, respectively.

As at 31 December 2025, the financial assets classified to stage 3 for lifetime ECLs are debt investments at amortised cost, other receivables and long-term receivables with a gross carrying amount of approximately RMB4,659 million (2024: RMB5,237 million). Further quantitative data in respect of the Group's exposure to credit risk arising from other receivables and long-term receivables are disclosed in note 25 to the consolidated financial statements.

(c) Liquidity risk

Liquidity risk encompasses the risk that the Group cannot meet its financial obligations in full.

The Group's maturity analysis of borrowings that shows the remaining contractual maturities is disclosed in note 30.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Due to the capital-intensive nature of the Group's business, the Group ensures that it maintains flexibility through keeping sufficient cash and cash equivalents and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and banks and other borrowings.

Due to the Group's supplier finance arrangements, the relevant trade payables are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for trade payables covered by the arrangements are either identical to the payment terms for other trade payables or extended to no more than 180 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk, given that the payment terms are not significantly extended. Details of the arrangements are disclosed in note 28 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities and derivative financial instruments into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates, and the amounts disclosed in the table are the contractual undiscounted cash flows.

2025

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
Borrowings (excluding lease liabilities)	216,103	100,380	174,227	301,162	791,872
Lease liabilities	1,186	1,114	1,260	1,174	4,734
Trade and other payables (excluding statutory and non-financial liabilities)	615,063	49,537	19,450	7,477	691,527
Net-settled derivative financial instruments	34	-	-	-	34
Total contractual undiscounted payments	832,386	151,031	194,937	309,813	1,488,167

2024

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
Borrowings (excluding lease liabilities)	155,399	91,742	170,971	265,341	683,453
Lease liabilities	1,470	746	977	856	4,049
Trade and other payables (excluding statutory and non-financial liabilities)	591,070	40,390	18,793	3,509	653,762
Total contractual undiscounted payments	747,939	132,878	190,741	269,706	1,341,264

The Group's contractual amounts relating to loan guarantees and liquidity support are disclosed in note 40 of the consolidated financial statements.

Derivative financial instruments comprise forward currency contracts used by the Group to hedge the exposure to foreign currency risk.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash assets and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

The Group has established supplier finance arrangements to manage its working capital, details of which are included in note 28 to the financial statements.

	31 December 2025 RMB million	31 December 2024 RMB million
Total borrowings (note 30)	687,482	586,323
Less: Cash and cash equivalents	139,830	134,974
Net debt	547,652	451,349
Total equity	467,887	467,815
Total capital	1,015,539	919,164
Gearing ratio	53.9%	49.1%

The Group's gearing ratio increases from 49.1% to 53.9% on 31 December 2025 as compared with the ratio as at 31 December 2024.

49. EVENT AFTER THE REPORTING PERIOD

On 30 March 2026, the Board proposed a total annual dividend of approximately RMB3,172 million to the shareholders, subject to the shareholders' approval at the forthcoming Annual General Meeting. Of this amount, pursuant to the mandate granted at the 2024 annual general meeting on 16 June 2025, the Board approved a interim cash dividend of RMB1,914 million on 7 November 2025, which has been recognised as liabilities. The remaining dividend of RMB1,258 million, proposed after the end of the reporting period, has not been recognised as liabilities at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB million	2024 RMB million
Non-current assets		
Property, plant and equipment	204	193
Right-of-use assets	101	115
Investment properties	1,529	1,588
Intangible assets	905	850
Investments in subsidiaries	190,609	179,580
Investments in joint ventures	6,215	6,018
Investments in associates	13,314	13,331
Financial assets at fair value through profit or loss	1,462	1,115
Equity investments designated at fair value through other comprehensive income	8,482	7,919
Contract assets	2,961	2,267
Trade and other receivables	4,684	3,202
Loans to subsidiaries	427	427
Amounts due from subsidiaries	1,463	780
Total non-current assets	232,356	217,385
Current assets		
Inventories	489	484
Contract assets	10,237	9,678
Trade and other receivables	8,354	9,589
Loans to subsidiaries	4,400	5,084
Amounts due from subsidiaries	52,342	47,908
Restricted bank deposits	-	39
Cash and cash equivalents	21,996	16,916
Total current assets	97,818	89,698
Current liabilities		
Trade and other payables	19,963	19,399
Contract liabilities	9,153	5,613
Amounts due to subsidiaries	51,017	44,313
Tax payables	178	206
Interest-bearing bank and other borrowings	57,939	47,500
Retirement benefit obligations	2	2
Total current liabilities	138,252	117,033
Net current liabilities	(40,434)	(27,335)
Total assets less current liabilities	191,922	190,050

Continued/...

NOTES TO FINANCIAL STATEMENTS

31 December 2025

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (continued)

	2025 RMB million	2024 RMB million
Non-current liabilities		
Trade and other payables	409	331
Deferred income	9	5
Amounts due to subsidiaries	9,055	6,857
Interest-bearing bank and other borrowings	15,792	20,165
Deferred tax liabilities	2,232	2,089
Retirement benefit obligations	19	22
Provisions	78	19
Total non-current liabilities	27,594	29,488
Net assets	164,328	160,562
Equity		
Share capital	16,275	16,279
Treasury shares	(667)	(597)
Share premium	20,092	20,109
Financial instruments classified as equity	22,200	31,000
Reserves (note)	106,428	93,771
Total equity	164,328	160,562

NOTES TO FINANCIAL STATEMENTS

31 December 2025

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB million	Statutory surplus reserve RMB million	Remeasurement reserve RMB million	Investment revaluation reserve RMB million	Exchange reserve RMB million	Retained earnings RMB million	Total RMB million
At 31 December 2024	22,047	13,253	59	5,723	42	52,647	93,771
Profit for the year	-	-	-	-	-	17,315	17,315
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	422	-	-	422
Share of other comprehensive income of joint ventures and associates	-	-	-	(1)	-	-	(1)
Exchange differences on translation of foreign operations	-	-	-	-	(23)	-	(23)
Share-based payment	(148)	-	-	-	-	-	(148)
Issuance of perpetual securities	(15)	-	-	-	-	-	(15)
Final 2024 and mid-term 2025 dividend declared	-	-	-	-	-	(4,544)	(4,544)
Interest distribution on perpetual securities	-	-	-	-	-	(659)	(659)
Transfer to statutory surplus reserve	-	1,732	-	-	-	(1,732)	-
Others	310	-	-	-	-	-	310
At 31 December 2025	22,194	14,985	59	6,144	19	63,027	106,428
	Capital reserve RMB million	Statutory surplus reserve RMB million	Remeasurement reserve RMB million	Investment revaluation reserve RMB million	Exchange reserve RMB million	Retained earnings RMB million	Total RMB million
At 31 December 2023	21,798	11,833	62	3,993	26	48,476	86,188
Profit for the year	-	-	-	-	-	14,203	14,203
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	1,731	-	-	1,731
Share of other comprehensive income of joint ventures and associates	-	-	-	(1)	-	-	(1)
Share of other reserves of joint ventures and associates	9	-	-	-	-	-	9
Actuarial losses on retirement benefit obligations, net of tax	-	-	(3)	-	-	-	(3)
Exchange differences on translation of foreign operations	-	-	-	-	16	-	16
Share-based payment	240	-	-	-	-	-	240
Final 2023 and mid-term 2024 dividend declared	-	-	-	-	-	(7,042)	(7,042)
Interest distribution on perpetual securities	-	-	-	-	-	(1,570)	(1,570)
Transfer to statutory surplus reserve	-	1,420	-	-	-	(1,420)	-
At 31 December 2024	22,047	13,253	59	5,723	42	52,647	93,771

51. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of directors on 30 March 2026.

TERMS & GLOSSARIES

DEFINITIONS

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

"334 Projects (Three Foundations, Three All-round Systems, and Four Modernizations)"	one of the specific work measures to vigorously advance the major initiative of "Comprehensively Strengthening Systematic and Scientific Management". "Three Foundations" serve as the foundational conditions for all management, focusing on building a solid foundation, strengthening the grassroots level, and rigorously practicing basic skills; "Three All-round Systems" are the keys to creating profit and value, encompassing comprehensive budgeting, full-cost accounting, and comprehensive performance assessment; "Four Modernizations" involve refining and deepening operations across all departments, enterprises, positions, and modules (including technology, management, and services), specifically driving professionalization, standardization, digitalization, and refinement
"666 Strategic Framework"	the Company's overarching strategic architecture for its development in the coming period. Within this framework, the "Six Orientations" function to "raise the banner and set the direction," providing steering through a focus on high quality, strategy, problem-solving, market dynamics, value creation, and high targets; the "Six Eternal Strategic Issues" offer holistic and systemic think and grab to "manage the overall situation", including directional, fundamental, global, long-term, innovative, and risk-related issues; the "Six Major Missions" aim to "ensure implementation", act as six precise management goals and pathways, encompassing concerted efforts to "comprehensively strengthen Party leadership and development", "accelerate high-quality development comprehensively", "deepen systemic reforms comprehensively", "enhance systematic and scientific management comprehensively", "accelerate innovation and transformation comprehensively" and "reshape excellent culture and ecosystem comprehensively"
"1545" Development Strategy	the overall development strategy facing the "15th Five-Year Plan" and the longer-term future, comprising "One Goal," "Five-Alls World-Class," "Four-Bigs Leadership," and "Five-Types Enterprise." "One Goal" is to anchor the Company's efforts on the "five wholes, four bigs and five types" framework to accelerate the construction of a world-class enterprise. "Five-Alls First-Class" refers to: first-class integrated all-transportation solution provider, general contractor, and operator; first-class integrated all-urban solution provider, general contractor, and operator; first-class integrated all-water solution provider, general contractor, and operator; first-class integrated all-digital solution provider, service provider, and operator; and first-class integrated all-green solution provider, service provider, and operator. "Four-Bigs Leadership" refers to: leading international competitive advantages in "big overseas"; leading distinctive development advantages in "big equipment"; leading comprehensive cluster advantages in "big industry"; and leading new-quality business format advantages in "big integration." "Five-Types Enterprise" refers to: CCCC as an innovation-driven enterprise, a comprehensive transportation provider, a builder of new-quality infrastructure, a globally leading entity, and a champion of integrated development
"2022 Incentive Scheme" or "Incentive Scheme"	the 2022 Restricted Share Incentive Scheme of the Company adopted on 27 April 2023
"AGM"	the annual general meeting of the Company for the year 2025 to be held on 16 June 2026
"Articles of Association"	the articles of associations of the Company, approved on 8 October 2006, and as amended from time to time
"Board"	the board of directors of the Company
"CCCC Capital"	CCCC Capital Holdings Limited* (中交資本控股有限公司), a subsidiary of the Company as at the date of this report
"CCCC Finance"	CCCC Finance Company Limited* (中交財務有限公司), a subsidiary of the Company as at the date of this report
"CCCG"	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 59.72% equity interest in the Company
"CCCG Group"	CCCG and its subsidiaries, excluding the Company and its subsidiaries

TERMS & GLOSSARIES

“Certain Connected Subsidiaries”	certain connected subsidiaries of the Company, namely CCCC Haifeng Wind Power Development Co., Ltd.* (中交海峰風電發展股份有限公司), CCCC (Xiamen) E-Commerce Co., Ltd.* (中交(廈門)電子商務有限公司), CCCC Urban Investment Hairun (Yunyan) Urban Renewal Co., Ltd.* (中交城投海潤(雲岩)城市更新有限公司), CCCC High-tech Industrial Development Co., Ltd.* (中交高新科技產業發展有限公司), Guizhou Airport Investment Development Co., Ltd.* (貴州航空港投資發展有限公司), Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司) and/or their respective subsidiaries (as the case may be)
“Company” or “CCCC”	China Communications Construction Company Limited, a joint stock limited company with limited liability incorporated under the laws of the PRC on 8 October 2006, and except where the context requires otherwise, all of its subsidiaries
“Director(s)”	the director(s) of the Company
“five wholes, four bigs and five types”	“five wholes, four bigs and five types” business scope refers to the development pattern of the Company, the specific meaning of which is: the “five-wholes”: whole transportation, whole cities, and whole water have been the Company’s main responsibilities and businesses while whole green and whole digital is the direction of future transformation. These “five wholes” constitute the Company’s main industrial fields, providing application scenarios for the “four-bigs.” The “four-bigs”: big overseas, big equipment, big industry, and big integration. The “four-bigs” represent the Company’s differentiated competitive advantages, which inject growth momentum into the “five-wholes” and create new spaces for mutual empowerment. The “five-types”: five development types, i.e. an innovation-driven enterprise, a comprehensive transportation provider, a builder of new-quality infrastructure, a globally leading entity, and a champion of integrated development. The “five types” represent the driving force, growth space, and development model for the Company’s future
“four integrations” “eight-network integration”	one of the “four integrations” is specifically defined by accelerating the creation of four strategic dimensions of integration: cross-boundary integration between industries, integrated fusion within industry chains, interactive integration among production factors, and collaborative integration across regions. The Company vigorously promotes the integration of eight specific networks: the transportation, energy, water, digital, ecological, industrial, health, and cultural networks. The “four integrations” represent the strategic logic of integration, while the “eight-network integration” serves as the tactical pathway; together, they exert a combined force to accelerate comprehensive integration and connectivity
“Group”	the Company itself and all of its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Leased Assets”	assets specified in the leasing framework agreement with Certain Connected Subsidiaries, including buildings, plants and auxiliary equipment, facilities, etc. for production and operation
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“Overall Guiding Opinions”	the “Overall Guiding Opinions on Fully Implementing the ‘666’ Strategic Framework and ‘545’ Construction Goals, Comprehensively Accelerating High-Quality Development, and Building a World-Class Enterprise (《全面落實「666」戰略框架與「545」建設目標暨全面加快高質量發展、建設世界一流企業的總體指導意見》)”, namely the Overall Guiding Opinions, serves as the programmatic document guiding the Company’s high-quality development for the coming period. Led by the “666” Strategic Framework, and grounded in a firm grasp of national strategic directions, industry development trends, and the specific targets of corporate transformation, this document conducts an in-depth analysis of the Company’s industry characteristics, resource endowments, and current stage of development. With a broad strategic vision and a pragmatic spirit of practice, it comprehensively maps out the overall strategic framework, objectives, tasks, and implementation pathways for the Company’s high-quality development
“Participants”	the directors, senior management, middle management and core personnel of the Company to be granted with the Restricted Shares under the 2022 Incentive Scheme

TERMS & GLOSSARIES

“PRC”	the People’s Republic of China, for the purposes of this report, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Restricted Share(s)”	the A Share(s) granted to the Participant(s) according to the conditions and price stipulated in the 2022 Incentive Scheme, which are subject to a lock-up period (being the period during which the Restricted Share(s) shall not be transferred or used as guarantee or for repayment of debts) and can only be unlocked for trading when the unlocking conditions stipulated in the 2022 Incentive Scheme are satisfied
“RMB” or “Renminbi”	the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Seven Major Systems”	the strategic system, target system, institutional system, market system, operation system, management system, and risk control system for high-quality development
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shareholder(s)”	the shareholder(s) of the Company
“USD”	United States dollars, the lawful currency of the United States of America
“%”	Percent

I. CORPORATE INFORMATION

Legal name of the Company in Chinese: 中國交通建設股份有限公司
Legal Chinese abbreviation of the Company: 中國交建或中國交通建設
Legal name of the Company in English: China Communications Construction Company Limited
Legal English abbreviation of the Company: CCCC
Legal representative of the Company: SONG Hailiang

II. CONTACT PERSON AND CONTACT DETAILS

Secretary to the Board of the Company: LIU Zhengchang
Company Secretary: YU Jingjing
Address: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Tel: 8610-82016562
Fax: 8610-82016524
E-mail: ir@ccccltd.cn

III. BASIC INFORMATION

Registered address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Postal code: 100088
Office address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Postal code: 100088
Company website: <http://www.ccccltd.cn>
E-mail: ir@ccccltd.cn

IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

Newspapers designated by the Company for disclosure of information (A Shares):
China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by China Securities Regulatory Commission for publishing annual reports of A Shares:
www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publishing annual reports of H Shares:
www.hkexnews.hk

Place available for inspection of the Company's annual reports of A Shares:
19th Floor, 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Place available for inspection of the Company's annual reports of H Shares:
Room 2805, 28th Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong, China

CORPORATE INFORMATION

V. BASIC INFORMATION ON SHARES OF THE COMPANY

Listing place of A Shares: Shanghai Stock Exchange

Abbreviation of A Shares: 中國交建

Stock code of A Shares: 601800

Listing place of H Shares: The Stock Exchange of Hong Kong Limited

Abbreviation of H Shares: CHINA COMM CONS

Stock code of H Shares: 01800

VI. OTHER INFORMATION OF THE COMPANY

Domestic Auditors:

Ernst & Young Hua Ming LLP

Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue,

Dong Cheng District, Beijing, China

Signing auditors: CHEN Jing and LI Xiaodong

International Auditors:

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Hong Kong legal advisors:

Baker & McKenzie

14/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

PRC legal advisors:

Guantao Law Firm

19/F, Tower B, Xincheng Plaza, 5 Finance Street, Xicheng District, Beijing, China

Authorised representatives of H Shares: SONG Hailiang, YU Jingjing

H Share registrar:

Computershare Hong Kong Investor Services Limited

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



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