

Hong Kong Stock Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 0576)

2025 ANNUAL RESULTS ANNOUNCEMENT

- Revenue was Rmb19,755.49 million, representing an increase of 9.4% year-on-year
- Profit attributable to owners of the Company was Rmb5,324.96 million, representing a decrease of 3.2% year-on-year
- Basic earnings per share was Rmb88.62 cents, and diluted earnings per share was Rmb88.62 cents
- A dividend of Rmb39.5 cents per share was recommended

The directors (the “**Directors**”) of Zhejiang Expressway Co., Ltd. (the “**Company**”) announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended December 31, 2025 (the “**Period**”), with the basis of preparation as stated in Note 1 set out below.

During the Period, revenue for the Group was Rmb19,755.49 million, representing an increase of 9.4% over 2024. Profit attributable to owners of the Company was Rmb5,324.96 million, representing a decrease of 3.2% year-on-year. Basic earnings per share for the Period were Rmb88.62 cents (2024: Rmb91.79 cents), and diluted earnings per share were Rmb88.62 cents (2024: Rmb90.50 cents).

The board of Directors (the “**Board**”) of the Company recommended a dividend of Rmb39.5 cents per share (2024: dividend of Rmb38.5 cents per share). The dividend is subject to shareholders’ approval at the Company’s 2025 annual shareholders’ meeting (the “**ASM**”).

The Company's Audit Committee has reviewed the Group's consolidated financial statements for the Period. Set out below are the audited consolidated statement of profit or loss and other comprehensive income for the Period and consolidated statement of financial position as at December 31, 2025, with comparative figures for 2024, and relevant notes to the consolidated financial statements:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	For the year ended December 31,	
		2025	2024
		<i>Rmb'000</i>	<i>Rmb'000</i>
Revenue	3	19,755,490	18,064,824
Including: Interest income under effective interest method		2,907,617	2,490,359
Operating costs		(12,980,298)	(10,812,360)
Gross Profit		6,775,192	7,252,464
Securities investment gains		2,819,166	1,735,120
Other income and gains and losses	4	802,333	889,145
Administrative expenses		(146,934)	(160,894)
Other expenses		(192,198)	(167,289)
Impairment losses under expected credit loss model, net of reversal		(45,077)	(19,454)
Share of profit of associates		1,175,713	939,399
Share of profit of joint ventures		148,298	130,742
Finance costs		(1,546,906)	(1,741,651)
Profit before tax		9,789,587	8,857,582
Income tax expense	5	(1,926,050)	(1,701,104)
Profit for the year		7,863,537	7,156,478
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain on equity instrument investments measured at fair value through other comprehensive income		426,150	146,710
Income tax impact relating to items that will not be reclassified subsequently to profit or loss		(106,537)	(36,677)

	For the year ended December 31,	
	2025	2024
<i>Notes</i>	<u>Rmb'000</u>	<u>Rmb'000</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>319,613</u>	<u>110,033</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value (loss)/gain on debt instruments measured at fair value through other comprehensive income	(440,541)	314,277
Impairment losses for debt instruments measured at fair value through other comprehensive income	381	2,854
Income tax impact relating to items that may be reclassified subsequently to profit or loss	110,040	(79,283)
Exchange differences on translation of financial statements of foreign operations	(19,360)	6,420
Share of other comprehensive (loss)/income of associates, net of related income tax	<u>(244,599)</u>	<u>251,095</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	<u>(594,079)</u>	<u>495,363</u>
Other comprehensive (loss)/income for the year, net of income tax	<u>(274,466)</u>	<u>605,396</u>
Total comprehensive income for the year	<u><u>7,589,071</u></u>	<u><u>7,761,874</u></u>
Profit for the year attributable to:		
Owners of the Company	5,324,958	5,501,588
Non-controlling interests	<u>2,538,579</u>	<u>1,654,890</u>
	<u><u>7,863,537</u></u>	<u><u>7,156,478</u></u>

		For the year ended December 31,	
		2025	2024
	<i>Notes</i>	<u>Rmb'000</u>	<u>Rmb'000</u>
Total comprehensive income attributable to:			
Owners of the Company		5,073,759	5,884,211
Non-controlling interests		2,515,312	1,877,663
		<u>7,589,071</u>	<u>7,761,874</u>
Earnings per share			
Basic (<i>Rmb cents</i>)	7	<u>88.62</u>	<u>91.79</u>
Diluted (<i>Rmb cents</i>)		<u>88.62</u>	<u>90.50</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31, 2025	As at December 31, 2024
	<i>Notes</i>	<u><i>Rmb'000</i></u>	<u><i>Rmb'000</i></u>
NON-CURRENT ASSETS			
Property, plant and equipment		5,855,431	5,717,903
Right-of-use assets		1,078,462	832,183
Expressway operating rights		18,764,763	19,743,837
Goodwill		749,031	86,867
Other intangible assets		741,357	428,056
Interests in associates		14,870,228	17,210,739
Interests in joint ventures		3,280,335	2,400,437
Financial assets at fair value through profit or loss (“ FVTPL ”)		647,862	485,931
Equity investments at fair value through other comprehensive income (“ FVTOCI ”)		6,582,446	1,708,759
Debt instruments at FVTOCI		16,013,782	11,412,165
Other receivables and prepayments		1,641,169	985,608
Deferred tax assets		1,551,257	1,274,351
Time deposits		7,144,557	8,971,236
		<u>78,920,680</u>	<u>71,258,072</u>

		As at December 31, 2025	As at December 31, 2024
	<i>Notes</i>	<u><i>Rmb'000</i></u>	<u><i>Rmb'000</i></u>
CURRENT ASSETS			
Inventories		1,785,748	1,235,112
Trade receivables	8	1,377,184	1,050,498
Loans to customers arising from margin financing business		38,964,285	24,224,342
Other receivables and prepayments		6,220,810	4,332,270
Dividends receivable		11,711	2,000
Derivative financial assets		409,775	570,461
Financial assets at FVTPL		49,832,095	35,536,634
Debt instruments at FVTOCI		1,736,635	1,022,862
Financial assets held under resale agreements		7,275,187	5,491,056
Bank balances and clearing settlement fund held on behalf of customers		72,841,948	49,066,356
Bank balances, clearing settlement fund, deposits and cash			
– Restricted bank balances and cash		116,834	80,259
– Time deposits with original maturity over three months		10,354,097	2,379,965
– Cash and cash equivalents		23,565,920	20,932,480
		<u>214,492,229</u>	<u>145,924,295</u>

		As at December 31, 2025	As at December 31, 2024
	<i>Notes</i>	<u>Rmb'000</u>	<u>Rmb'000</u>
CURRENT LIABILITIES			
Placements from other financial institutions		5,418,251	1,750,000
Accounts payable to customers arising from securities business		72,298,470	48,397,105
Trade payables	9	1,202,172	1,143,206
Tax liabilities		862,876	784,814
Other taxes payable		394,649	339,171
Other payables and accruals		10,941,063	10,132,003
Provision		5,039	–
Dividends payable		697,118	457,656
Contract liabilities		120,613	123,582
Derivative financial liabilities		609,125	558,131
Bank and other borrowings		2,340,672	2,507,616
Short-term financing notes payable		13,585,207	7,085,628
Bonds payable		19,328,956	10,994,506
Convertible Bonds	10	–	224,867
Financial assets sold under repurchase agreements		34,432,762	23,139,450
Financial liabilities at FVTPL		577,701	480,553
Lease liabilities		203,143	147,689
		<u>163,017,817</u>	<u>108,265,977</u>
NET CURRENT ASSETS		<u>51,474,412</u>	<u>37,658,318</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>130,395,092</u>	<u>108,916,390</u>

	As at December 31, 2025	As at December 31, 2024
<i>Notes</i>	<u>Rmb'000</u>	<u>Rmb'000</u>
NON-CURRENT LIABILITIES		
Bank and other borrowings	15,496,333	14,577,484
Bonds payable	20,889,600	19,876,048
Deferred tax liabilities	499,519	518,088
Lease liabilities	460,306	246,406
	<u>37,345,758</u>	<u>35,218,026</u>
NET ASSETS	<u><u>93,049,334</u></u>	<u><u>73,698,364</u></u>
CAPITAL AND RESERVES		
Share capital	6,038,115	5,993,801
Reserves	44,342,158	40,047,152
Equity attributable to owners of the Company	50,380,273	46,040,953
Non-controlling interests	42,669,061	27,657,411
	<u><u>93,049,334</u></u>	<u><u>73,698,364</u></u>

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include disclosures required by The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Except as disclosed below, the accounting policies and methods of computation applied in the consolidated financial statements are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended December 31, 2024.

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

During the Period, the Group has initially applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual periods beginning on January 1, 2025, for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The nature and the impact of the revised HKFRS Accounting Standards are described below:

Impacts on Application of Amendments to HKAS 21 Lack of Exchangeability

The Group has applied amendments to HKAS 21 for the first time during the Period. The amendments specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable.

As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENTS

Information reported to the general manager of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- (i) Toll operation – the operation and management of high grade roads and the collection of expressway tolls.
- (ii) Securities operation – the securities and futures broking, margin financing and securities lending, securities underwriting and sponsorship, asset management, advisory services and proprietary trading.
- (iii) Others – hotel operation, PPP project, construction service, investment in other financial institutions and other ancillary services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended December 31, 2025

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Revenue – external customers	<u>10,387,655</u>	<u>7,550,613</u>	<u>1,817,222</u>	<u>19,755,490</u>
Segment profit	<u>4,305,474</u>	<u>2,815,198</u>	<u>742,865</u>	<u>7,863,537</u>

For the year ended December 31, 2024

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Revenue – external customers	<u>10,662,346</u>	<u>6,182,506</u>	<u>1,219,972</u>	<u>18,064,824</u>
Segment profit	<u>4,401,544</u>	<u>1,980,294</u>	<u>774,640</u>	<u>7,156,478</u>

The accounting policies of operating segments are consistent with those applied by the Group. Segment profit represents the profit after tax of each operating segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	Segment assets		Segment liabilities	
	As at December 31, 2025 <i>Rmb'000</i>	As at December 31, 2024 <i>Rmb'000</i>	As at December 31, 2025 <i>Rmb'000</i>	As at December 31, 2024 <i>Rmb'000</i>
Toll operation	54,263,447	46,434,199	(22,404,393)	(25,321,735)
Securities operation	227,612,283	159,916,026	(177,488,361)	(117,566,517)
Others	10,788,148	10,745,275	(470,821)	(595,751)
Total segment assets (liabilities)	292,663,878	217,095,500	(200,363,575)	(143,484,003)
Goodwill	749,031	86,867	–	–
Consolidated assets (liabilities)	<u>293,412,909</u>	<u>217,182,367</u>	<u>(200,363,575)</u>	<u>(143,484,003)</u>

Segment assets and segment liabilities represent the assets and liabilities of the subsidiaries operating in the respective reportable and operating segments.

Other segment information

Amounts included in the measure of segment profit/(loss) or segment assets:

For the year ended December 31, 2025

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Income tax expense	1,309,738	616,312	–	1,926,050
Interest income from financial institutions	479,922	–	196	480,118
Interest expenses	545,922	988,214	12,770	1,546,906
Impairment losses on loans to customers arising from margin financing business, recognised in profit or loss	–	10,397	–	10,397
Impairment losses on trade receivables, net of reversal	9,237	6,278	1,608	17,123
Interests in associates	2,531,116	3,547,618	8,791,494	14,870,228
Interests in joint ventures	3,280,335	–	–	3,280,335
Share of profit of associates	219,403	189,405	766,905	1,175,713
Share of profit of joint ventures	148,298	–	–	148,298
Net gains arising from financial assets at FVTPL	–	2,418,958	–	2,418,958
Loss on changes in fair value in respect of the derivative component of convertible bond	(10,022)	–	–	(10,022)
Additions to non-current assets (Note)	3,302,982	873,927	4,482	4,181,391
Depreciation and amortization	3,409,902	533,659	22,832	3,966,393

For the year ended December 31, 2024

	Toll operation <i>Rmb'000</i>	Securities operation <i>Rmb'000</i>	Others <i>Rmb'000</i>	Total <i>Rmb'000</i>
Income tax expense	1,279,788	416,940	4,376	1,701,104
Interest income from financial institutions	473,839	–	328	474,167
Interest expenses	756,301	966,160	19,190	1,741,651
Impairment losses on loans to customers arising from margin financing business, recognised in profit or loss	–	7,613	–	7,613
Impairment losses on trade receivables, net of reversal	14,986	(754)	(232)	14,000
Interests in associates	2,725,259	5,909,180	8,576,300	17,210,739
Interests in joint ventures	2,400,437	–	–	2,400,437
Share of profit of associates	184,608	(6,722)	761,513	939,399
Share of profit of joint ventures	130,742	–	–	130,742
Net gains arising from financial assets at FVTPL	–	1,493,929	–	1,493,929
Loss on changes in fair value in respect of the derivative component of convertible bond	(2,676)	–	–	(2,676)
Additions to non-current assets <i>(Note)</i>	2,498,934	5,496,595	55,404	8,050,933
Depreciation and amortization	3,394,018	394,119	24,289	3,812,426

Note: Additions to non-current assets consist of additions to property, plant and equipment, expressway operating rights, other intangible assets, right-of-use assets, interests in associates and interests in joint ventures (including assets from the acquisition of a subsidiary).

Revenue from major services

An analysis of the Group's revenue, net of discounts and taxes, for the year is as follows:

	For the year ended	
	December 31,	
	2025	2024
	<i>Rmb'000</i>	<i>Rmb'000</i>
Toll road operation revenue	10,387,655	10,662,346
Commission and fee income from securities operation	4,642,996	3,692,147
Interest income from securities operation	2,907,617	2,490,359
Hotel and catering revenue	101,628	108,251
Construction service revenue	1,690,252	1,070,362
Revenue from PPP project	25,342	41,359
Total	<u>19,755,490</u>	<u>18,064,824</u>

Geographical information

The Group's operations are located in the PRC. The Group's non-current assets are located in the PRC (country of domicile).

All of the Group's revenue from external customers is attributed to the group entities' country of domicile (i.e. the PRC).

Information about major customers

During the years ended December 31, 2025 and 2024, there was no individual customer with sales over 10% of the total revenue of the Group.

4. OTHER INCOME AND GAINS AND LOSSES

	For the year ended December 31,	
	2025	2024
	<i>Rmb'000</i>	<i>Rmb'000</i>
Interest income from financial institutions	480,118	474,167
Rental income	74,542	73,727
Losses on changes in fair value in respect of the derivative component of convertible bond	(10,022)	(2,676)
Exchange gains/(losses), net	3,185	(780)
(Loss)/gain on commodity trading, net	(20,220)	64,009
Management fee income	27,641	27,135
Government subsidy	66,895	69,485
Gain on disposal of assets	6,022	26,736
Others	174,172	157,342
Total	<u>802,333</u>	<u>889,145</u>

5. INCOME TAX EXPENSE

	For the year ended December 31,	
	2025	2024
	<i>Rmb'000</i>	<i>Rmb'000</i>
Current Tax:		
PRC Enterprise Income Tax (“EIT”)	2,096,445	1,508,683
Deferred tax	(170,395)	192,421
	<u>1,926,050</u>	<u>1,701,104</u>

Under the Law of the PRC on EIT and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant tax ordinance of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended	
	December 31,	
	2025	2024
	<i>Rmb'000</i>	<i>Rmb'000</i>
Profit before tax	9,789,587	8,857,582
Tax at the PRC EIT rate of 25% (2024: 25%)	2,447,397	2,214,396
Effect of different tax rates	(1,513)	–
Tax effect of share of profit of associates	(293,928)	(234,850)
Tax effect of share of profit of joint ventures	(37,075)	(32,686)
Tax effect of tax losses and temporary difference not recognised	56,568	28,922
Utilisation of unused tax losses previously not recognised	(7,064)	(40,015)
Tax effect of expenses not deductible for tax purposes	45,701	47,983
Tax effect of income not subject to tax	(284,036)	(282,646)
Income tax expense for the year	<u>1,926,050</u>	<u>1,701,104</u>

6. DIVIDENDS

	For the year ended	
	December 31,	
	2025	2024
	<i>Rmb'000</i>	<i>Rmb'000</i>
Dividends recognised as distribution during the year:		
2024 – Rmb38.5 cents		
(2024: 2023 – Rmb32.0 cents)	<u>2,307,613</u>	<u>1,917,919</u>

Dividend of Rmb39.5 cents per share in respect of the year ended December 31, 2025 (2024: dividend of Rmb38.5 cents per share in respect of the year ended December 31, 2024) in the total amount of Rmb2,385,055,000 (2024: Rmb2,307,613,000) has been proposed by the Directors and is subject to approval by the shareholders at the ASM.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	For the year ended	
	December 31,	
	2025	2024
	<i>Rmb '000</i>	<i>Rmb '000</i>
Profit for the year attributable to owners of the Company	5,324,958	5,501,588
Earnings for the purpose of basic earnings per share	5,324,958	5,501,588
Effect of dilutive potential ordinary shares arising from convertible bond	–	(41,723)
Earnings for the purpose of diluted earnings per share	<u>5,324,958</u>	<u>5,459,865</u>

Number of shares

	For the year ended	
	December 31,	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	6,008,748	5,993,568
Effect of dilutive potential ordinary shares arising from convertible bond	–	39,271
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>6,008,748</u>	<u>6,032,839</u>

Note: During the Period, the remaining convertible bonds were fully converted, therefore there is no further diluted effect in the calculation of diluted earnings per share.

8. TRADE RECEIVABLES

	As at December 31, 2025 <i>Rmb'000</i>	As at December 31, 2024 <i>Rmb'000</i>
Trade receivables comprise:		
– Contracts with customers	1,438,608	1,070,246
Less: Allowance for credit losses	<u>(61,424)</u>	<u>(19,748)</u>
	<u>1,377,184</u>	<u>1,050,498</u>
Trade receivables (before allowance for credit losses) comprise:		
Fellow subsidiaries	40,203	16,390
Third parties	<u>1,398,405</u>	<u>1,053,856</u>
Total trade receivables	<u>1,438,608</u>	<u>1,070,246</u>

The Group has no credit period granted to its trade customers of toll road operation business. The Group's trade receivable balance for toll road operation is toll receivables from the respective expressway fee settlement centre of Zhejiang Province and Anhui Province, Transportation Bureau of Linping County of Hangzhou, Transportation Bureau of Hangzhou, Transportation Bureau of Yiwu, Transportation Bureau of Linan of Hangzhou, Transportation Bureau of Jiaxing, etc.

In respect of the Group's asset management service, security commission and financial advisory service operated by Zheshang Securities Co., Ltd. ("**Zheshang Securities**"), trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. Overdue balances are regularly monitored by the management.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the Period, which approximated the respective revenue recognition dates:

	As at December 31,2025 <i>Rmb'000</i>	As at December 31, 2024 <i>Rmb'000</i>
Within 3 months	711,032	489,187
3 months to 1 year	395,314	391,596
1 to 2 years	242,245	168,839
Over 2 years	28,593	876
Total	<u>1,377,184</u>	<u>1,050,498</u>

Movement of allowance for credit losses

	As at December 31, 2025 <i>Rmb'000</i>	As at December 31, 2024 <i>Rmb'000</i>
At the beginning of the year	19,748	5,748
Impairment recognised for the year	17,123	14,000
Acquisition of a subsidiary	24,235	–
Reversal of written off	318	–
At the end of the year	<u>61,424</u>	<u>19,748</u>

9. TRADE PAYABLES

Trade payables mainly represent the payables for the expressway improvement projects. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at December 31, 2025 <i>Rmb'000</i>	As at December 31, 2024 <i>Rmb'000</i>
Within 3 months	650,547	537,785
3 months to 1 year	151,292	124,735
1 to 2 years	97,292	132,298
2 to 3 years	59,897	76,991
Over 3 years	243,144	271,397
Total	<u>1,202,172</u>	<u>1,143,206</u>

10. CONVERTIBLE BONDS

On January 20, 2021, the Company issued a zero coupon convertible bond in an aggregate principal amount of Euro230,000,000 (the “**Convertible Bond 2021**”). As at December 31, 2025, all bonds of the Convertible Bond 2021 had been redeemed or converted.

The principal terms of the Convertible Bond 2021 are as follows:

(1) *Conversion right*

The Convertible Bond 2021 will, at the option of the holder (the “**Bondholders 2021**”), be convertible (unless previously redeemed, converted or purchased and cancelled) on or after March 2, 2021 up to January 10, 2026 into fully paid ordinary shares with a par value of Rmb1.00 each at an initial conversion price (the “**Conversion Price 2021**”) of HK\$8.83 per H share and a fixed exchange rate of HK\$9.5145 to Euro1.00 (the “**Fixed Exchange Rate**”). The Conversion Price 2021 is subject to the anti-dilutive adjustments and certain events including mainly: share consolidation, subdivision or re-classification, capitalisation of profits or reserves, capital distributions, rights issues of shares or options over shares, rights issues of other securities and issues at less than current market price.

(2) Redemption

(i) Redemption at Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem all outstanding Convertible Bonds 2021 at 100 percent of their outstanding principal amount on the maturity date of January 20, 2026 (the “**Maturity Date 2021**”).

(ii) Redemption at the option of the Company

The Company may, having given not less than 30 days’ nor more than 60 days’ notice, redeem the outstanding Convertible Bond 2021 in whole and not some only at 100 percent of their outstanding principal amount as at the relevant redemption date if:

- (a) At any time after January 20, 2024 but prior to the Maturity Date 2021, the closing price of an H share translated into Euro at the prevailing exchange rate applicable to each Stock Exchange business day, for any 20 business days within a period of 30 consecutive Stock Exchange business days prior to the publication of such redemption notice, the last day of such business days shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was at least 130 percent of the prevailing Conversion Price 2021 (translated into Euro at the Fixed Exchange Rate); or
- (b) At any time prior to the publication of such redemption notice, the aggregate principal amount of the Convertible Bond 2021 outstanding is less than 10 percent of the aggregate principal amount originally issued.

(iii) Redemption at the option of the Bondholders 2021

The Company will, at the option of the Bondholders 2021, redeem the whole or only some of that holder’s bonds at 100 percent of their outstanding principal amount on January 20, 2024(the “**Put Option Date**”).

The Convertible Bond 2021 comprises two components:

- (a) Debt component was initially measured at fair value in the amount of approximately Euro183,297,000 (equivalent to Rmb1,443,009,000). It is subsequently measured at amortised cost by applying effective interest rate method after considering the effect of the issuance costs such as underwriting fee. The effective interest rate used is 4.74%.
- (b) Derivative component comprises conversion right of the Bondholders 2021, redemption option of the Company, and put option of the Bondholders 2021.

Transaction costs totalling Rmb8,427,515 that relate to the issue of the Convertible Bond 2021 are allocated to the debt and derivative components in proportion to their respective fair values.

Transaction costs amounting to approximately Rmb1,711,247 relating to the derivative component were charged to profit or loss as at December 31, 2021. Issuance costs such as underwriting fee amounting to approximately Rmb6,716,268 relating to the debt component are included in the initial carrying amount of the debt portion and amortised over the remaining life of the Convertible Bond 2021 using the effective interest method.

The derivative component was measured at fair value with reference to valuation carried out by a firm of independent professional valuers.

The movement of the debt and derivative components of the Convertible Bond 2021 as at December 31, 2024 and December 31, 2025 is set out as below:

	Debt component at amortised cost		Derivative component at FVTPL		Total	
	<i>Euro'000</i>	<i>Rmb'000</i>	<i>Euro'000</i>	<i>Rmb'000</i>	<i>Euro'000</i>	<i>Rmb'000</i>
As at January 1, 2024	227,481	1,787,819	3,518	27,646	230,999	1,815,465
Redemption	(202,600)	(1,592,274)	-	-	(202,600)	(1,592,274)
Conversion of Convertible Bond	(200)	(1,472)	(22)	(164)	(222)	(1,636)
Exchange realignment	-	(8,243)	-	-	-	(8,243)
Interest charge	1,192	8,879	-	-	1,192	8,879
Loss on changes in fair value	-	-	512	2,676	512	2,676
As at December 31, 2024	<u>25,873</u>	<u>194,709</u>	<u>4,008</u>	<u>30,158</u>	<u>29,881</u>	<u>224,867</u>
Conversion of Convertible Bond	(26,608)	(217,028)	(4,806)	(40,180)	(31,414)	(257,208)
Exchange realignment	-	16,457	-	-	-	16,457
Interest charge	735	5,862	-	-	735	5,862
Loss on changes in fair value	-	-	798	10,022	798	10,022
As at December 31, 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On December 22, 2023, pursuant to the terms and conditions of the bonds, notice of redemption had been served on the Company requiring the Company to redeem part of the bonds at the principal amount of Euro202,600,000. Such redemption rights were executed on January 20, 2024. During the year ended December 31, 2024, the bondholders converted part of the Convertible Bond 2021 with a principal amount of Euro200,000 to the shares of the Company. During the year ended December 31, 2025, the bondholder converted remaining Convertible Bond 2021 with principal amount of Euro27,200,000 to the shares of the Company.

BUSINESS REVIEW

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

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

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

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

Toll Road Operations

(I) Business Performance and Analysis

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

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

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

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

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

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

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

(II) Business Operations Achievements

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

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

Solidified sustainable development foundation of core expressway business.

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

Accelerated development of “transportation + energy” integration and intelligent expressways.

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

Steady advancement in A-share listing capital operations.

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

Securities Business

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

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

Hotel and Catering

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

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

Long-Term Investments

(1) Expressway Segment

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

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

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

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

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

(II) Financial Segment

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

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

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

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

FINANCIAL ANALYSIS

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

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

Liquidity and Financial Resources

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

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

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

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

Borrowings and Solvency

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

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

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

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

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

Capital Structure

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

Capital Expenditure Commitments and Utilization

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

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

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

Use of Proceeds from Convertible Bonds and Rights Issue

Convertible Bond 2021

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

Rights Issue

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

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

Contingent Liabilities and Pledge of Assets

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

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

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

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

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

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

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

Foreign Exchange Risk

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

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

OUTLOOK

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

(I) Expressway Business

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

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

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

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

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

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

(II) Securities Business

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

IMPORTANT EVENTS OCCURRED SINCE THE END OF THE PERIOD

There have been no other important events affecting the Group since the end of the Period.

EXPECTED DATE OF PAYMENT OF THE PROPOSED DIVIDEND

Subject to the approval by the shareholders of the Company at the ASM to be held on May 6, 2026, the Company expects to pay a dividend of Rmb39.5 cents per share (the “**Proposed Dividend**”) no later than July 3, 2026 (inclusive).

DATE OF CLOSURE OF REGISTER, LAST TRANSFER DATE AND RECORD DATE

The ASM of the Company is expected to be held on May 6, 2026. Notice of convening the ASM will be published on the websites of the Company and the Stock Exchange in due course in accordance with the requirements of the Listing Rules. For the purpose of the ASM and in order to determine the shareholders of the Company who qualify for the Proposed Dividend, the Company will close the register of H shares during the period from April 30, 2026 to May 6, 2026 (both days inclusive) and from May 12, 2026 to May 17, 2026 (both days inclusive), during which no transfer of H shares will be registered.

Shareholders of H shares who wish to attend the ASM and qualify for the Proposed Dividend shall deliver all transfer instruments and relevant share certificates to Computershare Hong Kong Investor Services Limited at Room 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at or before 4:30 p.m. on April 29, 2026 and May 11, 2026, respectively.

For the purpose of the ASM and to qualify for the Proposed Dividend, the record dates are fixed on May 6, 2026 and May 17, 2026, respectively.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

COMPLIANCE WITH LISTING RULES APPENDIX C1

During the Period, the Company complied with the code provisions in the Corporate Governance Code (the “**Code**”) set out in Appendix C1 to the Listing Rules, and adopted the recommended best practices in the Code as and when applicable during the Period.

PUBLICATION OF FINANCIAL INFORMATION

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zjec.com.cn). The annual report of the Company for the twelve months ended December 31, 2025 will be available on the above websites in due course.

On behalf of the Board
Zhejiang Expressway Co., Ltd.
YUAN Yingjie
Chairman

Hangzhou, the PRC, March 31, 2026

As at the date of this announcement, the Chairman of the Company is Mr. YUAN Yingjie; the employee Director of the Company is Ms. LIU Yiying; the executive Director of the Company is Mr. LI Wei; the other non-executive Directors of the Company are: Mr. ZHAO Xilong, Mr. FAN Ye and Mr. HUANG Jianzhang; and the independent non-executive Directors of the Company are: Mr. PEI Ker-Wei, Ms. LEE Wai Tsang, Rosa and Mr. YU Mingyuan.