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中國中鐵股份有限公司

CHINA RAILWAY GROUP LIMITED

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

(Stock Code: 390)

RESULTS ANNOUNCEMENT FOR THE YEAR OF 2025

The board of directors (the “**Board**” or “**Board of Directors**”) of China Railway Group Limited (the “**Company**” or “**China Railway**”) is pleased to announce the audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025.

1 CORPORATE INFORMATION

Basic Information

Stock Name:	China Railway (A Share)	China Railway (H Share)
Stock Code:	601390	390
Stock Exchange on which Shares are Listed:	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited
Registered Address:	918, Block 1, No. 128, South 4th Ring Road West, Fengtai District, Beijing, the People's Republic of China	
Postal Code:	100070	
Website:	www.crec.cn	
E-mail:	ir@crec.cn	

Contact Details

Name:	Ma Yonghong (Board secretary)	Duan Yinhua (Securities affairs representative)
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2 SUMMARY OF ACCOUNTING DATA

2.1 Key Accounting Data Prepared under International Financial Reporting Standard (“IFRS”)

2.1.1 Summary of Consolidated Statement of Profit or Loss

	For the year ended 31 December					Change
	2025	2024	2023	2022	2021	2025 vs 2024
	RMB million					(%)
Revenue						
Infrastructure Construction	950,091	1,020,533	1,133,077	1,019,730	953,038	-6.9
Survey, Design and Consulting Services	18,209	18,523	19,269	19,795	18,607	-1.7
Engineering Equipment and Component Manufacturing	34,015	35,898	35,978	38,863	33,176	-5.2
Property Development	45,322	48,870	51,563	54,082	51,300	-7.3
Other Businesses	95,657	102,209	109,785	111,538	101,942	-6.4
Inter-segment Eliminations and Adjustments	(49,800)	(65,722)	(86,260)	(89,659)	(84,791)	
Total	<u>1,093,494</u>	<u>1,160,311</u>	<u>1,263,412</u>	<u>1,154,349</u>	<u>1,073,272</u>	<u>-5.8</u>
Gross Profit	97,957	110,231	122,686	108,890	103,386	-11.1
Profit before Tax	34,451	40,613	47,581	44,692	39,636	-15.2
Profit for the Year	<u>26,347</u>	<u>30,758</u>	<u>37,637</u>	<u>34,967</u>	<u>30,470</u>	<u>-14.3</u>
Profit for the Year attributable to Owners of the Company	<u>22,892</u>	<u>27,887</u>	<u>33,483</u>	<u>31,273</u>	<u>27,618</u>	<u>-17.9</u>
Earnings per Share (RMB)						
– Basic	0.848	1.085	1.294	1.198	1.037	-21.8
– Diluted	0.848	1.084	1.292	1.198	1.037	-21.8

2.1.2 Summary of Consolidated Statement of Financial Position

	As at 31 December					Change
	2025	2024	2023	2022	2021	2025 vs 2024 (%)
	<i>RMB million</i>					
Assets						
Current Assets	1,339,666	1,264,093	1,005,695	898,566	801,012	6.0
Non-current Assets	1,130,766	992,173	823,595	714,569	560,672	14.0
Total Assets	<u>2,470,432</u>	<u>2,256,266</u>	<u>1,829,290</u>	<u>1,613,135</u>	<u>1,361,684</u>	<u>9.5</u>
Liabilities						
Current Liabilities	1,394,585	1,276,197	1,010,641	873,375	787,860	9.3
Non-current Liabilities	535,397	470,077	358,895	316,891	215,666	13.9
Total Liabilities	<u>1,929,982</u>	<u>1,746,274</u>	<u>1,369,536</u>	<u>1,190,266</u>	<u>1,003,526</u>	<u>10.5</u>
Total Equity	<u>540,450</u>	<u>509,992</u>	<u>459,754</u>	<u>422,869</u>	<u>358,158</u>	<u>6.0</u>
Total Equity and Liabilities	<u>2,470,432</u>	<u>2,256,266</u>	<u>1,829,290</u>	<u>1,613,135</u>	<u>1,361,684</u>	<u>9.5</u>

2.2 Differences between Chinese Accounting Standard (“CAS”) and IFRS

	Net assets as at 31 December 2025 <i>RMB million</i>	Profit for the year ended 31 December 2025 <i>RMB million</i>
Amount attributable to the shareholders of the Company stated in the financial statements prepared in accordance with CAS	371,063	22,892
Adjustments as required by IFRS:		
– Circulation rights under the split-share reform	(148)	–
Amount attributable to the owners of the Company stated in the financial statements prepared in accordance with IFRS	<u>370,915</u>	<u>22,892</u>

3 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

3.1 Changes in Shares Capital

3.1.1 Changes in shares

During the reporting period, the changes in shares were as follows:

	Before the change		Increase/decrease in the change (+,-)					After the change	
	Number	Percentage (%)	Issuance of new shares	Bonus shares	Reserve converted to shares	Other	Sub-total	Number	Percentage (%)
I. Shares with selling restrictions	111,066,899	0.45	0	0	0	-107,029,211	-107,029,211	4,037,688	0.02
1. Shares held by the State	0	0	0	0	0	0	0	0	0
2. Shares held by the State-owned legal person	0	0	0	0	0	0	0	0	0
3. Shares held by other domestic shareholders	111,066,899	0.45	0	0	0	-107,029,211	-107,029,211	4,037,688	0.02
Including: Shares held by domestic non-state-owned legal person	0	0	0	0	0	0	0	0	0
Shares held by domestic natural person	111,066,899	0.45	0	0	0	-107,029,211	-107,029,211	4,037,688	0.02
4. Shares held by foreign shareholders	0	0	0	0	0	0	0	0	0
Including: Shares held by foreign legal person	0	0	0	0	0	0	0	0	0
Shares held by foreign natural person	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	24,630,798,219	99.55	0	0	0	51,449,722	51,449,722	24,682,247,941	99.98
1. RMB-denominated ordinary shares	20,423,408,219	82.55	0	0	0	51,449,722	51,449,722	20,474,857,941	82.94
2. Domestically-listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	4,207,390,000	17.00	0	0	0	0	0	4,207,390,000	17.04
4. Other	0	0	0	0	0	0	0	0	0
III. Total number of shares	24,741,865,118	100	0	0	0	-55,579,489	-55,579,489	24,686,285,629	100

3.1.2 Explanation on changes in shares

On 13 March 2025, prior to the expiration of the second unlocking period, among the 640 participants in the first grant under the 2021 Restricted Share Incentive Scheme who are qualified for the unlocking during the second unlocking period (the number of the restricted shares which are involved in the unlocking is 51,877,822 shares), 2 participants became unable to hold restricted shares of the Company and 3 participants were disqualified for the 2021 Restricted Share Incentive Scheme. The Company is required to repurchase from the above 5 participants all the restricted shares granted but not yet unlocked and cancel the same, as well as adjust matters relating to the unlocking of restrictions for the second unlocking period under the first grant. The number of participants under the first grant who are qualified for the unlocking during the second unlocking period after the adjustment is 635, the number of the restricted shares which are involved in the unlocking after the adjustment is 51,449,722 shares.

The number of restricted shares unlocked and listed under the second unlocking period under the first grant of the Company's 2021 Restricted Share Incentive Scheme on 31 March 2025 was 51,449,722 shares.

On 12 June 2025, among the participants under the first grant of the 2021 Restricted Share Incentive Scheme of the Company, 2 participants became unable to hold restricted shares of the Company and were disqualified for the 2021 Restricted Share Incentive Scheme, and 3 participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. In accordance with the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company repurchased and canceled from the above 5 participants of the restricted shares (856,199 restricted shares in total) which were granted but not yet unlocked. The total number of shares of the Company was reduced from 24,741,865,118 shares to 24,741,008,919 shares.

On 29 September 2025, in view of the fact that the performance evaluation indicators set at the Company level for the third unlocking period of the 2021 Restricted Share Incentive Scheme of the Company have not been met, according to the provisions of the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme was considered and approved at the fifteenth meeting of the sixth session of the Board of the Company. The Company decided to repurchase and cancel 54,786,990 restricted shares held by 678 participants which were granted but had not met the unlocking conditions for the third unlocking period. On 24 November 2025, the Company completed the repurchase and cancellation procedures for 54,723,290 restricted shares which were granted to 677 participants thereof but not yet unlocked, and was unable to process the repurchase and cancellation procedures for the 63,700 restricted shares held remaining 1 participant that should have been repurchased and cancelled due to the fact that the shares were frozen at that time. The

total number of shares of the Company was reduced from 24,741,008,919 shares to 24,686,285,629 shares. On 19 January 2026, the Company completed the repurchase and cancellation procedures for the 63,700 restricted shares which were granted to remaining 1 participant but not yet unlocked, and the total number of shares of the Company was reduced from 24,686,285,629 shares to 24,686,221,929 shares.

On 9 January 2026, the total number of shares unlocked during the second unlocking period under the reserved grant of the restricted shares under the 2021 Restricted Share Incentive Scheme of the Company was 3,973,988 shares.

On 30 April 2025, the Company disclosed the plan on the proposed repurchase of certain A shares through centralized bidding trading. This plan has been considered and approved at the annual general meeting for the year 2024, the 2025 first A share class meeting and the 2025 first H share class meeting held on 20 June 2025. It was agreed that the Company would use self-owned funds and special loans for the share repurchase to repurchase part of the Company's issued RMB ordinary shares (A shares) through centralized bidding trading. The total amount of funds for the repurchase will not be less than RMB800 million and not exceed RMB1.6 billion, with a maximum repurchase price of RMB8.50 per share. All repurchased shares will be cancelled, and the Company's registered capital will be reduced. The repurchase period is from 20 June 2025 to 19 June 2026.

The monthly reports during the Company's repurchase period are as follows:

Unit: Yuan Currency: Renminbi

Month of repurchase	Repurchase quantity (share)	Highest trading price per share	Lowest trading price per share	Total transaction amount (excluding transaction fees)
June 2025	/	/	/	/
July 2025	/	/	/	/
August 2025	/	/	/	/
September 2025	/	/	/	/
October 2025	6,998,600	5.75	5.63	39,999,328.00
November 2025	3,502,900	5.75	5.63	19,999,752.00
December 2025	18,310,500	5.75	5.42	100,019,066.00
January 2026	/	/	/	/
February 2026	/	/	/	/
March 2026	/	/	/	/
Total	28,812,000	/	/	160,018,146.00

During the reporting period, the Company has cumulatively repurchased 28,812,000 A shares, accounting for approximately 0.1167% of the Company's total share capital as at 31 December 2025.

As of the date of this announcement, the Company has cumulatively repurchased 28,812,000 A shares, accounting for approximately 0.1167% of the Company's total share capital as at the date of this announcement.

3.1.3 Impact of changes in shares after the reporting period and prior to the date of the annual report on earnings per share, net asset value per share or other financial indicators (if any)

Unit: Yuan Currency: RMB

Financial Indicator	Whole year of 2025		Fourth quarter of 2025	
	Taking into account the repurchase and cancellation of restricted shares	Without taking into account the repurchase and cancellation of restricted shares	Taking into account the repurchase and cancellation of restricted shares	Without taking into account the repurchase and cancellation of restricted shares
Earnings per share	0.848	0.848	0.203	0.203
Net assets per share	12.89	12.89	0.14	0.14

Notes:

- 1. When calculating earnings per share, the restricted shares that have not yet met the unlocking conditions should be deducted from the weighted average number of the Company's outstanding ordinary shares.*
- 2. According to relevant accounting standards, when calculating earnings per share, the net profit attributable to shareholders of the listed company should be adjusted for the impact of dividends or interest on preferred shares, perpetual bonds, and other equity instruments, as well as restricted shares.*
- 3. When calculating net assets per share, the net assets attributable to shareholders of the listed company should be adjusted for the impact of preferred shares, perpetual bonds, and other equity instruments.*

3.1.4 Other contents that the Company deems necessary or required by the securities regulatory authority to be disclosed

Not applicable

3.2 Changes in Shares with Selling Restrictions

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the reporting period	Number of shares released from selling restrictions during the reporting period	Number of restricted shares granted during the reporting period	Number of restricted shares at the end of the reporting period	Reasons for selling restrictions	Date of releasing selling restrictions
Participants for restricted shares	111,066,899	107,029,211	0	4,037,688	2021 Restricted Share Incentive Scheme	31 March 2025, 12 June 2025 and 24 November 2025
Total	<u>111,066,899</u>	<u>107,029,211</u>	<u>0</u>	<u>4,037,688</u>		

3.3 Issuance and Listing of Securities

3.3.1 Issuance of securities as at the reporting period

Not applicable

3.3.2 Changes in respect of the total number of shares and the shareholder structure of the Company and changes in respect of the asset and liability structure of the Company

Not applicable

3.3.3 Existing shares held by internal employee

Not applicable

3.4 Information of Shareholders and Ultimate Controller

3.4.1 Number of shareholders

Total number of shareholders of ordinary shares as at the end of the reporting period	476,085
Total number of shareholders of ordinary shares at the end of the month preceding the date of the annual report	500,468
Total number of shareholders of preference shares with reinstated voting rights as at the end of the reporting period	0
Total number of shareholders of preference shares with reinstated voting rights at the end of the month preceding the date of annual report	0

3.4.2 Shareholdings of the top ten shareholders and top ten shareholders of tradable shares (or shareholders without selling restrictions) as at the end of the reporting period

Unit: Shares

Shareholdings of the top ten shareholders

Name of Shareholder (Full name)	Increase/ decrease during the reporting period	Total number of shares held at the end of the period	Shareholder percentage (%)	Number of shares with selling restriction	Pledged or frozen shares		Nature of shareholder
					Conditions of shares	Number	
China Railway Engineering Group Company Limited (Note 1)	0	11,623,119,890	47.08	0	Nil	0	State-owned legal person
HKSCC Nominees Limited (Note 2)	+1,455,255	4,012,189,001	16.25	0	Nil	0	Other
China Reform Development Investment Management Co., Ltd.	0	742,605,892	3.01	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	0	619,264,325	2.51	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (Note 3)	-241,106,432	273,178,912	1.11	0	Nil	0	Other
Central Huijin Asset Management Ltd.	0	230,435,700	0.93	0	Nil	0	State-owned legal person
Industrial and Commercial Bank of China Limited – Huatai- PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	-8,187,931	169,146,588	0.69	0	Nil	0	Other
China Great Wall Asset Management Co., Ltd	0	138,562,835	0.56	0	Nil	0	State-owned legal person
Bosera Funds – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other

Name of Shareholder (Full name)	Increase/ decrease during the reporting period	Total number of shares held at the end of the period	Shareholder percentage (%)	Number of shares with selling restriction	Pledged or frozen shares		Nature of shareholder
					Conditions of shares	Number	
Guangfa Fund – Agricultural Bank of China – Guangfa CSI Financial Asset Management Fund	0	131,135,600	0.53	0	Nil	0	Other
Zhong Ou AMC – Agricultural Bank of China – Zhong Ou CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Huaxia Fund – Agricultural Bank of China – Huaxia CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Southern Fund – Agricultural Bank of China – Southern CSI Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
China Construction Bank Corporation – E Fund CSI 300 Exchange- Traded Open-End Index Initiated Securities Investment Fund	-1,691,800	120,631,061	0.49	0	Nil	0	Other

Note 1: CREC holds a total of 11,623,119,890 shares of the Company, including 11,458,725,890 A shares and 164,394,000 H shares.

Note 2: HKSCC Nominees Limited holds H shares on behalf of multiple clients, and the number of H shares of the Company held by CREC has been excluded.

Note 3: The A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of multiple clients.

Note 4: The figures shown in the table are from the register of members as at 31 December 2025.

Shareholdings of the top ten shareholders without selling restrictions

Name of shareholder	Number of shares held without selling restrictions		Type and number of shares
	Number	Type	Number
China Railway Engineering Group Company Limited (<i>Note 1</i>)	11,458,725,890		RMB-denominated ordinary shares
	164,394,000		Overseas listed foreign shares
HKSCC Nominees Limited (<i>Note 2</i>)	4,012,189,001		Overseas listed foreign shares
China Reform Development Investment Management Co., Ltd.	742,605,892		RMB-denominated ordinary shares
China Securities Finance Corporation Limited	619,264,325		RMB-denominated ordinary shares
Hong Kong Securities Clearing Company Limited (<i>Note 3</i>)	273,178,912		RMB-denominated ordinary shares
Central Huijin Asset Management Ltd.	230,435,700		RMB-denominated ordinary shares
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	169,146,588		RMB-denominated ordinary shares
China Great Wall Asset Management Co., Ltd	138,562,835		RMB-denominated ordinary shares
Bosera Funds – Agricultural Bank of China – Bosera CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares
Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares
Guangfa Fund – Agricultural Bank of China – Guangfa CSI Financial Asset Management Fund	131,135,600		RMB-denominated ordinary shares
Zhong Ou AMC – Agricultural Bank of China – Zhong Ou CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares
Huaxia Fund – Agricultural Bank of China – Huaxia CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares

Name of shareholder	Number of shares held without selling restrictions		Type	Type and number of shares
				Number
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares	131,135,600
Southern Fund – Agricultural Bank of China – Southern CSI Financial Asset Management Plan	131,135,600		RMB-denominated ordinary shares	131,135,600
China Construction Bank Corporation – E Fund CSI 300 Exchange-Traded Open-End Index Initiated Securities Investment Fund	120,631,061		RMB-denominated ordinary shares	120,631,061
Explanation of the share repurchase account situation among the top ten shareholders				Nil
Explanation of the above shareholders' entrusted voting rights, delegated voting rights, and waived voting rights				Nil
Explanation of the aforementioned shareholder relationships or concerted actions			The Company's largest shareholder, China Railway Engineering Group Company Limited, does not have any related-party relationship with the aforementioned other shareholders and is not a concert party with them. The Company is unaware of whether there are any related-party relationships or concert party relationships among the aforementioned other shareholders.	
Explanation of preferred shareholders with restored voting rights and number of shares held				Nil
<i>Note 1:</i>	CREC holds a total of 11,623,119,890 shares of the Company, including 11,458,725,890 A shares and 164,394,000 H shares.			
<i>Note 2:</i>	HKSCC Nominees Limited holds H shares on behalf of multiple clients, and the number of H shares of the Company held by CREC has been excluded.			
<i>Note 3:</i>	The A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of multiple clients.			
<i>Note 4:</i>	The figures shown in the table are from the register of members as at 31 December 2025.			

3.4.3 Particulars of shares lent in the refinancing business by shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders without selling restrictions

Not applicable

3.4.4 Change in top ten shareholders and the top ten shareholders without selling restrictions as compared to the previous period as a result of refinancing lending/returning

Not applicable

3.4.5 Shareholdings of top ten shareholders of shares with selling restrictions and terms of selling restrictions

Not applicable

3.4.6 Strategic investors or general legal persons becoming the top ten shareholders by placing of new shares

Not applicable

3.5 Substantial Shareholders and Holders of Interests or Short Positions Required to be Disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”)

As at 31 December 2025, the Company had been informed by the following persons that they had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be maintained under Section 336 of the SFO:

Holder of A shares

Name of substantial shareholders	Capacity	Number of A shares held (Shares)	Nature of interest	Approximate percentage of total issued A shares (%)	Approximate percentage of total issued shares (%)
CREC	Beneficial owner	11,458,725,890	Long position	55.80	46.31

Holder of H shares

Name of substantial shareholders	Capacity	Number of H shares held (Shares)	Nature of interest	Approximate percentage of total issued H shares (%)	Approximate percentage of total issued shares (%)
BlackRock, Inc.	Interest of controlled corporations	250,020,003	Long position	5.94	1.01
		35,479,000	Short position	0.08	0.14

Note: The interests or short positions include the underlying shares as follows:

Name of substantial shareholder	Long Position				Short Position			
	Listed equity derivatives payment in kind	Listed equity derivatives settled in cash	Non-listed equity derivatives payment in kind	Non-listed equity derivatives settled in cash	Listed equity derivatives payment in kind	Listed equity derivatives settled in cash	Non-listed equity derivatives payment in kind	Non-listed equity derivatives settled in cash
BlackRock, Inc.	-	-	-	13,130,000	-	-	-	31,650,000

Apart from the foregoing, as at 31 December 2025, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept under section 336 of the SFO as having an interest of or any short position in the issued share capital of the Company that would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

3.6 Information on Controlling Shareholder and Ultimate Controller

3.6.1 Details of controlling shareholder

(1) *Legal person*

Name	China Railway Engineering Group Company Limited
Person-in-charge or Legal representative	Chen Wenjian
Date of establishment	7 March 1990
Principal business	Construction works, related engineering technological research, survey, design, services, manufacturing of specialized equipment and real estate development and operation.
Details of controlling interests and investments in other domestic and overseas-listed companies during the reporting period	Nil
Other information	Nil

(2) *Natural person*

Not applicable

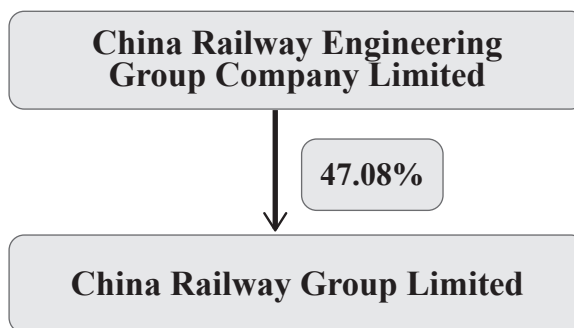
(3) *Special explanation that the Company does not have any controlling shareholder*

Not applicable

(4) *Details of changes of the controlling shareholder during the reporting period*

Not applicable

3.6.2 The diagram of the interests and controlling relationships between the Company and the controlling shareholder



3.6.3 Details of ultimate controller

(1) Legal person

Ultimate controller of the Company – State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”), which is the ministry level institution directly under the State Council, and was set up in accordance with the institutional reform plan of the State Council and the Notice of the State Council on Establishment of Institutions passed at the First Session of the 10th National People’s Congress. The SASAC is authorised by the State Council to perform its duties as an investor on behalf of the State. The scope of supervision of the SASAC extends to the state-owned assets of central government owned enterprises (excluding financial enterprises). Currently, the State-owned Assets Supervision and Administration Commission holds 90% equity interests in CREC and National Social Security Fund holds 10% equity interests in CREC.

(2) Natural person

Not applicable

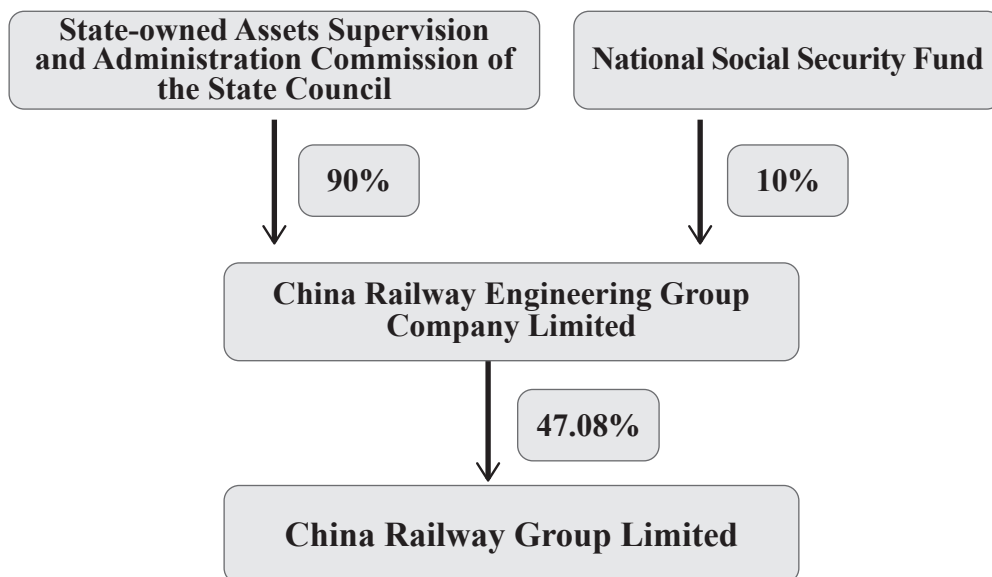
(3) Special explanation that the Company does not have any ultimate controller

Not applicable

(4) Details of changes of the ultimate controller during the reporting period

Not applicable

3.6.4 The diagram of the interests and controlling relationships between the Company and the ultimate controller



3.6.5 Ultimate controller control the Company through trust or other asset management methods

Not applicable

3.7 The Company's Controlling Shareholder or the Largest Shareholder and the Party Acting in Concert thereof Holding Cumulative Pledged Shares Accounting for over 80% of the Company's Shares

Not applicable

3.8 Other Legal Person Shareholders with Shareholding of over 10%

As of the end of the reporting period, except for HKSCC Nominees Limited, the Company has no other legal person shareholders with shareholding over 10%.

3.9 Information on the Restrictions on Reduction of Shareholdings

Not applicable

3.10 Details of Repurchase of Shares during the Reporting Period

Details are set out in "Repurchase, Sale or Redemption of Securities" on page 142 to page 144 of this announcement.

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Review and Outlook

Year after year, life opens a fresh chapter; the journey ahead is long and arduous, and perseverance is our only way forward. Looking back on 2025, in the face of a complex and severe external environment as well as arduous development tasks, the Company, resolutely guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and all the plenary sessions of the 20th Central Committee, focused on the primary task of high-quality development, kept in mind the country's most fundamental interests, and bravely shouldered the mission of a central state-owned enterprise. We stood firm amid complex and changing situation and forged ahead under pressure, achieving solid results in responding to changing circumstances, stabilizing the overall situation, and opening up new prospects, and delivering brand-new results for the construction of a “High-Quality China Railway”.

In this year, we have advanced enterprise vitalization through practical work to demonstrate the responsibility of a central state-owned enterprise. We have consistently regarded serving national strategies as our duty, charging to the forefront and making significant contributions on the main battlefields of major infrastructure construction, delivering quality masterpieces with dedication, and achieving great accomplishments through concrete actions. A series of key projects including the Shenyang-Baicheng High-Speed Railway, the Xi'an-Yan'an High-Speed Railway and Chengdu Metro Line 13 have been completed and put into operation. The construction of Changtai Yangtze River Bridge connecting north and south, and the Chongqing East Railway Station injected strong momentum into coordinated regional development and economic and social progress. We have overcome difficulties in the Xihoumen Bridge project, and commenced the excavation of the Gaoligong Mountain Tunnel, laying a solid foundation for building a strong transportation country. We have deepened the high-quality cooperation in the joint construction of the “Belt and Road”, the Hungary-Serbia Railway has garnered high praise, while flagship projects such as the Morebaya Port-Simandou Railway in Guinea, the Mariana Lithium Plant in Argentina, and the new international airport in Gwadar, Pakistan, have delivered a steady stream of successes, allowing the reputable “China Construction” brand to shine across the globe.

In this year, we have focused on refined management and strengthening our foundations to solidify the groundwork for development. We have launched the “Three-Year Action Plan for Further Enhancing Business Management and Reducing Debts”. Centering on the core objectives of “improving efficiency and creating value,” the Company promoted the systematic reshaping and profound transformation of management philosophies, systems and mechanisms, to lay a solid foundation for the Company’s steady and sustainable development and long-term prosperity. By implementing a multi-pronged approach including optimizing procurement at the source, rigorously managing contract fulfillment, meticulously tracking costs throughout the entire process, ensuring prompt and full collection of receivables, and refining performance evaluation metrics, we have steadily enhanced our ability to create value across the full project lifecycle. By focusing on financial centralization, business-led coordination, compliance and risk control, and strengthening the supply chain as key drivers, we have fully unleashed the synergistic potential of “finance, business, legal and procurement” functions. We have deepened efforts in cash flow management, debt reduction and various specialized governance initiatives, continuously strengthening our risk prevention and control capabilities. The quality and efficiency of grassroots Party building have been comprehensively enhanced, with concerted efforts to consolidate foundations, build our brand, and empower talent, thereby better transforming our political advantages into development potential.

In this year, we have overcome challenges with reform to unleash innovative engines. We resolutely advanced the Reform Deepening and Enhancement Initiative, we successfully ranking among the top 30 central state-owned enterprises in brand-building capabilities, and three subsidiaries were recognized by the SASAC as benchmarks or outstanding performers in the “Science and Technology Reform (科改)” and “Double Hundred (雙百)” initiatives. We proactively responded to market reforms, deepened reforms of regional headquarters and investment companies, optimized resource allocation efficiency, and precisely benchmarked market demands. Targeting the strategy of strengthening the enterprise through technology, we built the “Pioneer Model (先鋒大模型)” innovation system and accelerated the implementation of eight major “AI + Smart Construction” scenarios. Major national equipment, such as the world’s largest-diameter vertical shaft boring machine and the world’s first in-situ variable-diameter shield machine, rolled off the production line in batches, achieving a dual leap in work efficiency and engineering quality; Throughout the year, the Company won 73 awards, including the China Patent Gold Award and the Science and Technology Award awarded by the China Railway Society, and led the publication of three ISO international standards, marking a new milestone in innovative capabilities. By refining performance evaluation mechanisms and enhancing positive incentive systems, the Company has clearly established a focus on high-quality development, fostering an increasingly vibrant atmosphere of action and innovation and pressing ahead across the entire Company.

In this year, we have warmed hearts through dedication and deepened our commitment to serving the people. We have consistently upheld a people-centered development philosophy, demonstrating the responsibility and compassion of a central state-owned enterprise through concrete actions. By diligently fulfilling our targeted poverty alleviation responsibilities, we have earned the highest rating of “Good” in the targeted poverty alleviation evaluation of central state-owned enterprises for seven consecutive years, injecting the strength of China Railway into comprehensive promotion of rural revitalization. We have built a strong, professional emergency rescue force. In critical moments such as the Dingri earthquake in Tibet, the earthquake in Myanmar, and the landslide in Yibin, Sichuan Province, we charged toward danger, and built a solid defense of lifeline with our sense of responsibility and steadfast commitment. We have extensively carried out public welfare initiatives such as the “Golden Autumn” Scholarship Program, blood donation drives, and the “Little Migrant Birds” summer care program. By gathering countless small acts of kindness into a warm current that illuminates countless homes, we have composed moving odes to boundless compassion. We have steadfastly upheld the “dual carbon” philosophy, promoted green and low-carbon management, and fully implemented energy conservation, consumption reduction and ecological conservation measures, to continuously enhance the “green content” of high-quality development.

In 2026, the clarion call for a new journey has already sounded. We will continue to guide and safeguard high-quality development by high-quality Party building, focus on our core responsibilities and main businesses, boldly ventures into the deep waters of reform, and balance development with security. Guided by our corporate values of “creation, quality and brand,” we will resolutely fight the “Five Key Tough Tasks”, deepen the transformation toward omni-channel infrastructure and full-lifecycle services, and accelerate integrated development, and with greater determination, a more pragmatic work ethic, and more effective measures, we will spare no effort to serve the overall situation of the work of the Party and the country, support the high-quality development of the economy and society, ensure and improve people’s livelihood, take on social responsibilities, and contribute greater strength to Chinese modernization.

4.2 Business Overview

China Railway is one of the largest multi-functional integrated construction groups in the world, which enables us to offer a full range of construction and industrial products and related services to our customers. The Company holds an industrial leading position in fields such as engineering construction, design consulting, and equipment manufacturing. The Company also diversifies its business and expands its value-added services by venturing into other businesses such as property development, asset operation, resource utilization, financial and merchandise trading, and emerging business. After years of practice and development, the Company has gradually formed a vertically integrated construction industry chain with outstanding principal business supplemented by diversified relevant business horizontally.

4.2.1 Industry Development Overview

1. Engineering construction

(i) Domestic

2025 is the final year of the “14th Five-Year” Plan. Amid mounting pressures, China’s national economy has continued to move forward, with overall economic operations remaining stable and showing steady progress. High-quality development has been steadily advanced, and the major annual targets have been successfully achieved. According to the 2025 Statistical Analysis of Construction Industry Development (《2025年建築業發展統計分析》) released by the China Construction Industry Association, China’s engineering construction sector underwent profound adjustments in 2025, with operations characterized by “pressure on total volume and structural optimization”. In 2025, construction enterprises nationwide (referring to general and specialized contracting enterprises with qualified credentials, excluding labor subcontracting enterprises in the construction industry) achieved a total construction output value of RMB30,381.83 billion, representing a year-on-year decrease of 10.05%; the newly signed contracts amounted to RMB31,532.75 billion, representing a year-on-year decrease of 5.51%; cumulative fixed-asset investment in the national railway sector reached RMB901.5 billion, representing a year-on-year increase of 6%. The total operational mileage of railways in China reached 165,000 kilometers, including 50,000 kilometers of high-speed railway, effectively driving the growth of investment across society. Additionally, according to data from the Ministry of Transport, by 2025, the country had newly added a cumulative total of 18 urban rail transit lines, 32 operational sections and 764.7 kilometers of operational mileage. By the end of the year, 54 cities nationwide had put 343 urban rail transit lines into operation, with a total operational mileage of 11,710.3 kilometers, continuously improving the urban transportation accessibility.

In 2025, China strengthened fiscal funding guarantees, successfully concluding the issuance of RMB1.3 trillion in ultra-long-term special treasury bonds, focusing on supporting the construction of “two priorities” projects and the “two new” initiatives, RMB800 billion of which was allocated to support the construction of “two priorities” projects, while RMB500 billion was used to expand and intensify the implementation of “two new” policies. Approximately 8,400 equipment upgrade projects were supported, driving total investment exceeding RMB1 trillion; throughout the year, RMB4.4 trillion was allocated to local government special bonds, representing an increase of RMB500 billion compared to 2024. Additionally, RMB6 trillion was allocated to replace existing implicit debts within the

prescribed quota with local special debts, mainly used for investment and construction, land reserve and acquisition of existing commercial housing, and clearing local government arrears owed to enterprises. These measures precisely empower the infrastructure sector, bringing tangible benefits to construction enterprises in alleviating difficulties and ensuring steady development, while solidifying policy support for the industry's transformation and upgrading. Moreover, China has taken the in-depth advancement of the national unified market construction and the comprehensive rectification of "involution" competition as the core measures to comprehensively regulate the development of the construction industry, built a fair and open market environment, and promoted the industry to shift from homogeneous competition based on scale and low prices to a high-quality development path that emphasizes technology, quality and management.

(ii) International

In 2025, the adverse impact of changes in the external environment on China's development continued to intensify. Faced with downward pressure in the domestic market, construction enterprises actively expanded into overseas markets. In 2025, China's overseas engineering contracting business achieved a turnover of US\$178.82 billion, representing a year-on-year increase of 7.74%; the newly signed contracts amounted to US\$289.22 billion, representing a year-on-year increase of 8.20%. The turnover of overseas engineering contracting projects has grown for four consecutive years, while the amount of newly signed contracts has increased for three consecutive years, effectively offsetting a certain downward pressure on domestic businesses. 2025 marks a pivotal year as the "Belt and Road" initiative enters its second decade. Through transportation infrastructure development, Chinese enterprises have demonstrated their outstanding engineering technology and management capabilities and have become key driving forces for economic development in partner countries. According to data from the Ministry of Commerce, regarding overseas engineering contracting, the newly signed engineering contracts by Chinese enterprises amounted to US\$257.98 billion in countries along the "Belt and Road", representing a year-on-year increase of 10.8% over the previous year; the completed turnover amounted to US\$152.63 billion, representing a year-on-year increase of 9.3%.

(2) *Design and consulting*

Since China's economic development entered a new normal, the design and consulting industry has been undergoing a profound transformation centered on green, digitalization and full-process consulting. This transformation is driven by national strategies but also faces severe challenges posed by market fragmentation. The design and consulting industry as a whole is facing a situation of shrinking traditional business and accelerating structural fragmentation. However, under the guidance of the national strategy, with the coordinated development of transportation, manufacturing, agriculture and technology, the industry will enter a phase of diversified growth, still harboring numerous development opportunities. Urban development, as a core engine, continues to drive scale growth; the green transformation and smart upgrading of infrastructure constantly create new growth opportunities; the rural revitalization strategy stimulates demand for the renovation and functional enhancement of existing assets; in the industrial engineering sector, intelligent manufacturing and low-carbon initiatives foster structural opportunities, and the engineering general contracting model and full-process engineering consulting services continue to deepen. The market focus is shifting toward infrastructure sectors such as the "Two New and One Major (兩新一重)" initiatives, as well as ecological conservation, clean energy, product renewal, renovation and maintenance, modern logistics networks, and the enhancement of urban functionality and quality. Industry development will transition from being driven by factors such as investment and labor to being innovation-driven, with the pace of digitalization, intelligence and industrial upgrading accelerating.

(3) *Equipment manufacturing*

In 2025, while maintaining its scale advantage, China's manufacturing sector underwent a profound transformation toward high-end, intelligent and green development. The quality and structure of the industry continued to improve, and new quality productive forces grew at an accelerated pace. According to data from the National Bureau of Statistics, in 2025, the value-added output of industrial enterprises above designated size nationwide grew by 5.9% year-on-year. As key areas of industrial upgrading, the value-added output of equipment manufacturing enterprises above designated size increased by 9.2% year-on-year, while that of high-tech manufacturing enterprises increased by 9.4% year-on-year, with growth rates exceeding the overall industrial average by 3.3 and 3.5 percentage points, respectively; their shares of the total industrial output above designated size rose to 36.8% and 17.1%, respectively. The 2026 Government Work Report states that efforts will be intensified to foster and strengthen new growth drivers, expand intelligent manufacturing, and build a new batch of smart factories and smart supply chains. A new round of high-quality development initiatives for key industrial chains in the manufacturing sector will be implemented, with a focus

on strengthening the industrial foundation and tackling major technological and equipment challenges, to create a number of national advanced manufacturing clusters, and provide solid support for the high-quality development of the equipment manufacturing industry.

(4) *Featured property*

In 2025, under the dual influence of continuous policy optimization and a complex macroeconomic environment, China's residential market has generally exhibited a complex trend characterized by "stabilization in both volume and price, structural divergence and expectation reshaping". Local governments adhered to the principle of "tailored policies for each city" to control new supply, reduce inventory and optimize supply, and multiple cities including Beijing, Shanghai, Shenzhen, Chongqing, Suzhou and Hefei have further optimized and refined policy measures. They have implemented the policy package of "four cancellations, four reductions and two increases", formulated local standards for "quality housing", and better met residents' basic housing needs as well as diverse demands for improved housing. The urban renewal initiative has continued to be advanced. In May 2025, the General Office of the CPC Central Committee and the General Office of the State Council issued the Opinions on Continuously Advancing the Urban Renewal Initiative (《關於持續推進城市更新行動的意見》), outlining eight key tasks. The Central Urban Work Conference held in July 2025 explicitly stated "to focus on urban renewal", comprehensively promoting the construction of "quality house, quality residential complexes, quality communities and quality urban districts". The real estate market will continue to prioritize stability as its overarching principle, focusing on controlling new supply, reducing inventory, and optimizing supply, revitalizing existing commercial properties for use as government-subsidized housing, while continuously advancing project delivery guarantees and resolving potential risks.

(5) *Asset operation*

As a key lever for "stabilizing growth, adjusting structure, and improving people's livelihoods", infrastructure investment has effectively served as a "ballast stone" to cushion economic fluctuations and stabilize overall investment. Over the past year, it has provided a solid foundation for socioeconomic development and the successful conclusion of the "14th Five-Year" Plan. Key sectors such as transportation infrastructure have shifted from "scale expansion" to "quality and efficiency enhancement", marking the industry's transition into a new phase of more sustainable development. In 2025, with the combined effect of multiple favorable policies including ultra-long-term special treasury bonds, policy-based financial instruments and local government special bonds, infrastructure investment in key sectors has achieved rapid growth. Investment in the pipeline

transportation sector rose by 36.0%, investment in multimodal transport and freight forwarding increased by 22.9%, and investment in water transport grew by 7.7%. At the same time, private investment in infrastructure has been effectively stimulated. In 2025, private infrastructure investment grew by 1.7% year-on-year, accounting for 21.0% of total infrastructure investment. In August 2025, the General Office of the State Council forwarded the Guiding Opinions on Regulating the Construction and Operation of Existing Government and Social Capital Cooperation Projects of the Ministry of Finance, further standardizing the construction and operation of PPP existing projects, enhancing the quality and efficiency of project operation, continuously improving the level of public service supply, and promoting the stable and healthy development of the economy and society. With strong support from macroeconomic policies and the continuous optimization of investment structure, the infrastructure investment sector is fostering new momentum.

(6) *Resource utilization*

In 2025, the non-ferrous metals industry was characterized by “strong policy support, diverging supply-demand dynamics, synchronized price and performance, and outstanding market performance”. On the policy front, the newly revised Mineral Resources Law of the People’s Republic of China (《中華人民共和國礦產資源法》) strengthened the reserve management and control of strategic minerals such as copper and cobalt. Eight government departments jointly issued the Work Plan for Stabilizing Growth in the Non-Ferrous Metals Industry (2025-2026) (《有色金屬行業穩增長工作方案(2025-2026年)》), launching a new round of strategic initiatives to achieve breakthroughs in mineral exploration and intensifying resource surveys and exploration for copper, aluminum, lithium and other minerals. Internationally, the Democratic Republic of the Congo tightened restrictions on cobalt ore exports to increase tax revenue and enhance value-added in its industrial chain, accelerating the restructuring of global supply chains. In terms of prices, traditional industrial metals and precious metals showed strong performance—the annual average price of copper reached RMB81,000/ton, setting a new record high and representing a year-on-year increase of 8.0%; the annual average spot price of gold was RMB796.8/g, representing a year-on-year increase of 45.3%. New energy metals overall exhibited a trend of “initial decline followed by recovery, bottoming out and rebounding”, with cobalt prices surging 51.3% quarter-on-quarter in the fourth quarter. Against the backdrop of sustained demand from the new energy and artificial intelligence sectors, the industry is expected to maintain a steady growth trajectory.

(7) *Financial and merchandise trading*

In 2025, the financial sector remained steadfast in its commitment to serving the real economy, and coordinated efforts to prevent and control risks, optimize structures, and drive transformation and innovation, thereby providing solid financial support for high-quality economic development and the cultivation of new quality productive forces. In terms of the trust industry, the regulatory system continued to be refined in 2025. The National Financial Regulatory Administration revised and issued the Measures for the Administration of Trust Companies (《信託公司管理辦法》), clarifying the scope of primary trust business, strengthening capital management and risk prevention and control, and promoting trust companies to focus on core businesses such as asset service and asset management, break the practice of rigid redemption and accelerate the transition toward high-quality development. In terms of finance companies, the National Financial Regulatory Administration continued to implement relevant guidance, maintained a strict regulatory stance, strictly prohibited violations such as excessive interbank financing, and guided finance companies to adhere to their positioning of “relying on and serving the Group”, so as to deepen centralized fund management, focus on primary businesses to enhance service quality and efficiency, and prevent industrial risks from spreading to the financial sector.

In 2025, China’s foreign trade grew at a relatively fast pace, with notable achievements in export diversification. The country’s position as the world’s largest merchandise trading nation was further consolidated, and the level of cross-border trade facilitation continued to improve. The domestic materials trade market remained stable with progress, moving toward innovation and optimization. The volume of various materials in circulation continued to rise, with trade volumes of bulk commodities such as coal, steel and non-ferrous metals growing steadily, effectively supporting the development needs of domestic industries. Currently, the merchandise trade industry is closely aligned with the development priorities of digitalization, green and integration. It faces trends of the deep integration of artificial intelligence and logistics, the quality improvement and upgrading of green supply chains, and the coordinated integration of industrial and supply chains. The industry will continue to evolve toward diversified layout, intelligent operation and highly interconnected collaboration. While the merchandise trade industry is consolidating its developmental foundations, it also faces challenges posed by a complex and volatile international environment and the need to continuously enhance supply chain resilience. Overall, the sector presents a landscape where opportunities and challenges coexist.

(8) *Emerging business*

In 2025, the country continued to coordinate the development of both traditional and new infrastructure. In terms of water conservancy and hydropower, construction of key national water network projects accelerated, large-scale hydropower projects focused on the integrated development of hydropower, wind power and solar power, as well as on improving the efficiency of existing units, and the construction of pumped-storage hydropower facilities maintained a rapid pace. The investment in water conservancy construction amounted to RMB1.28 trillion for the whole year, exceeding RMB1 trillion for four consecutive years. A total of 47,563 water conservancy projects were launched, with all-out efforts dedicated to advancing the construction of the backbone water transmission and drainage channels of the national water network, key regulation and storage nodes, as well as provincial-, municipal- and county-level water networks. 11 key projects, including the digital twin Three Gorges and the digital twin south-to-north water diversion project, were put into actual operation. In terms of clean energy, pursuing large-scale bases and distributed systems in parallel, the development of a new power system and green electricity trading mechanisms has become the key to growth. In 2025, China's newly added installed capacity of renewable energy power generation reached 452 million kilowatts, a year-on-year increase of 21%, accounting for 83% of China's total newly installed power generation capacity. In terms of ecological conservation, the focus remained on the battles for blue skies, clear waters and clean lands. By strengthening coordinated governance and the construction of "zero-waste cities", the national carbon market has been expanded steadily. Looking ahead, guided by the new development philosophy, the construction of new-type infrastructure featured by low-carbon efficiency, digital and intelligent integration, systematic completeness, safety and reliability will further empower the high-quality development of China's economy and society.

4.2.2 Business Development Overview

During the reporting period, the Company's new contract value amounted to RMB2,750.90 billion, a year-on-year increase of 1.3%; revenue amounted to RMB1,093.494 billion, a year-on-year decrease of 5.8%; net profit amounted to RMB26.347 billion, a year-on-year decrease of 14.3%; net profit attributable to shareholders of the listed company amounted to RMB22.892 billion, a year-on-year decrease of 17.9%; and earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to RMB66.352 billion, a year-on-year decrease of 1.5%. The Company has been ranked among the Fortune Global 500 for 20 consecutive years, placed 43rd on the 2026 Fortune Global 500 list and 9th on the Fortune China 500 list. For 17 consecutive years, the Company has been rated Class A (Excellent) in the Shanghai Stock Exchange's listed company performance assessment, further consolidating its position as an industry benchmark.

2025 marks the concluding year of the "14th Five-Year Plan" and an extraordinary year in the development history of China Railway. Faced with a complex landscape featuring mounting external pressures and intertwined internal challenges, the entire Company, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council, as well as the work requirements of the SASAC. We thoroughly practiced our corporate values of "creation, quality and brand", anchored the objectives of "One Stability, One Growth and Four Enhancements", prioritized high-quality development as the top priority, kept the "nation's priorities" in mind, courageously shouldered the mission of a central state-owned enterprise, pooled efforts to tackle difficulties, and drove all business and development endeavors to achieve new progress and scale new heights.

– Targeting efforts to fulfill national strategic missions through major projects.

The Company has proactively integrated into the regional coordinated development strategy, major regional strategies, and main functional area strategies. During the reporting period, more than 2,400 new projects were started; the Dadu River Extra Large Bridge on the Sichuan-Tibet Railway was successfully completed; and multiple high-speed railways, including the Xi'an-Yan'an, Guangzhou-Zhanjiang, Baotou-Yinchuan, Shenyang-Baicheng, and Chongqing-Guizhou lines, were smoothly put into operation. During the 14th Five-Year Plan period, over 6,300 kilometers of high-speed railways were constructed, with a cumulative total of more than 22,000 kilometers built. Key projects such as the Changtai Yangtze River Bridge, the Yellow River Three Gorges Bridge, the Zhengzhou-Kaifeng Intercity Railway, Tianjin Metro Line 4, and the Beijing-Yuxian Expressway were completed and put into operation, helping to continuously improve the national comprehensive three-dimensional transportation network. The largest water conservancy project in Inner Mongolia, the Chuor River-Liao River Water Diversion Project, and the Guangzhou Baiyun

International Airport Transportation Center Complex were delivered, providing solid support for regional ecological restoration and economic and social development, and significantly enhancing the Company's brand value and influence.

– **With intensive operations and all-round efficiency-driven initiatives, we have elevated the quality of business development.** The Company has thoroughly promoted the philosophy of “all employees create efficiency, all elements create efficiency, and all processes create efficiency”, and coordinated efforts in market operations, debt collection and arrears clearance, cost reduction, expenditure control, and quality improvement and efficiency enhancement, so as to ensure cash flow security and continuously strengthen its value creation capacity. During the reporting period, the competitive advantage of the core main businesses remained strong. The Company maintained leading market share in such specialized fields as railways, highways, urban rail transit, long, complex and special bridges, and large-diameter shield tunnels. The production and sales volume of shield machines/TBMs has ranked first in the world for 9 consecutive years. The market expansion of the “second growth curve” has accelerated, with amount of newly signed contracts reaching RMB472.48 billion, a year-on-year increase of 11%. Major projects bid included the Phase II of the Zhundong Water Supply Project, the 400MW Pinghai Bay Offshore Wind Farm Project of Three Gorges Energy in Putian, Fujian Province, and the Yongbei Irrigation District Project in Nanning, Guangxi Zhuang Autonomous Region. The Company has continued to launch the “Three-Year Action Plan for Further Enhancing Business Management and Reducing Debts”, and deepened the “four integrations” of finance, commerce, legal affairs and procurement. Remarkable results have been achieved in comprehensive business management, and the operational quality and efficiency have improved steadily.

– **Striving for innovation, we have stimulated the inherent driving force for corporate development through deepened reform.** Adhering to the principles of adapting to changes, responding to changes and pursuing changes, the Company has focused on enhancing its core functions and core competitiveness, coordinated the development of productive forces and the optimization of production relations, and promoted the transformation of the enterprise from scale expansion to quality improvement, from factor-driven to innovation-driven growth, and from extensive management to lean governance, thus continuously unlocking development momentum. During the reporting period, actions for deepening and upgrading reforms were successfully concluded, with all 426 core tasks fully completed. The Company vigorously advanced the capacity building of its headquarters and continued to rectify formalism to reduce burdens at the grassroots level. The Company steadily advanced key reform tasks. During the reporting period, the Company accelerated the establishment of a new operation system, abolished 6 regional headquarters, vigorously promoted professional integration, and implemented the merger and restructuring of China Railway South Investment Group Co., Ltd. and China Railway (Guangzhou) Investment Development Co., Ltd. to promote flat management in operation. The Company continued to deepen the reform of the three systems, with a focus on

grassroots orientation and performance orientation. The Company implemented the integrated advancement of “standardization, prioritisation and incentives”, strengthened the linkage between total wages and economic benefits, optimized the assessment system featuring “one policy for one sector and one policy for one enterprise”, and fully standardized the tenure system and contractual management of members of the managerial level, further improving the market-oriented operation mechanism of the enterprise.

– Empowered by technology, we have led industrial transformation and upgrading through technological innovation. Adhering to the innovation-driven development strategy, the Company has focused on breakthroughs in key and core technologies. The Company has been recognized by the SASAC as a “source of original green and low-carbon technologies for rail transit infrastructure”. The Company has deepened the integrated development of scientific and technological innovation and industrial innovation, and actively advanced the intelligent, green and integrated transformation of the construction industry. The Company has launched large models for six vertical fields, namely the communications engineering, signal engineering, electrical engineering and electrification engineering, tunnelling, survey and design, industrial manufacturing, bridges and expressways, and taken the lead in realizing industrial application in the rail transit operation and maintenance sector, effectively leading industrial upgrading. The “International Organization for Underground Transport Engineering (國際地下交通工程組織)” initiated by the Company has been incorporated into the priority area planning of international scientific and technological organizations. During the reporting period, the Company won one China Patent Gold Medal. Three achievements were selected into the 2025 Top 10 New Technologies in Engineering Construction and Top 10 Advanced Engineering Equipment in Engineering Construction, and 16 products were accredited as provincial and ministerial-level first set(s) of major technical equipment.

– Striving for openness and win-win results, we have demonstrated the strength of China Construction through the “Belt and Road”. The Company has deeply integrated into high-quality cooperation in the joint construction of the “Belt and Road”, improved high-level connectivity mechanisms, and optimized the regional markets of different countries. Based on its core businesses and competitive strengths such as engineering construction, mineral resource development and utilization, and equipment manufacturing, the Company has thoroughly implemented the overseas “double excellence” projects, setting new records for “China Construction” represented by China-made roads, China-made bridges, China-made tunnels, China-made high-speed railways and China-made shield machines. During the reporting period, a number of projects such as the Maci Railway in Guinea were completed and put into operation, while key projects such as the China–Kyrgyzstan–Uzbekistan Railway advanced steadily. CRHIC, a subsidiary of the Company, has become the world’s largest manufacturer of shield machines, turnouts, and bridge steel structures in terms of sales volume. Through advancing the “going out” initiative, the Company has continued to temper and grow, with its global competitiveness and brand influence continuously enhanced.

The main business operations of the Group during the reporting period are described as below:

(1) *New contracts*

In 2025, the Company secured new contracts amounting to RMB2,750.9 billion, representing a year-on-year increase of 1.3%. Of which, domestic business recorded new contracts amounting to RMB2,493.53 billion, representing a year-on-year decrease of 0.03%; overseas business recorded new contracts amounting to RMB257.37 billion, representing a year-on-year increase of 16.5%. The breakdown of new contract value by business segment is as follows:

New Contract Value

Unit: '00 million Currency: RMB

Business type	2025	2024	Year-on-year increase/ decrease
Engineering construction	18,505.4	18,710.1	-1.1%
Including			
Railways	3,162.6	3,194.2	-1.0%
Roads	1,390.5	1,673.6	-16.9%
Municipal works	1,798.4	1,936.3	-7.1%
Urban rails	644.8	727.0	-11.3%
Building construction	9,428.3	9,211.6	2.4%
Other	2,080.8	1,967.4	5.8%
Design and consulting	265.5	258.2	2.8%
Equipment manufacturing	530.7	571.0	-7.1%
Featured property	427.1	434.3	-1.7%
Asset operation	2,041.3	1,762.3	15.8%
Resource utilization	270.0	272.0	-0.7%
Financial and merchandise trading	744.2	886.5	-16.1%
Emerging business	4,724.8	4,257.4	11.0%
Including			
Water resources and hydropower	1,083.0	1,042.4	3.9%
Clean energy	1,250.7	1,200.3	4.2%
Ecology and environmental protection	978.1	616.7	58.6%
Urban operations	193.4	221.6	-12.7%
Airports and waterways	280.7	213.4	31.5%
Other	938.9	963.0	-2.5%
Total	<u>27,509.0</u>	<u>27,151.8</u>	<u>1.3%</u>
Including			
Domestic	24,935.3	24,942.8	-0.03%
Overseas	2,573.7	2,209.0	16.5%

(2) *Developments of the principal business segments*

(i) Engineering construction

The construction business covers sectors including railways, highways, municipal works, building construction and urban rail transit, with operations spanning more than 100 countries and regions across the globe. The Company holds special grade qualifications for general contracting in various fields, including railway engineering, highway engineering, municipal public works, building construction, port and waterway engineering, and water conservancy and hydropower engineering. The Company's basic business model is to secure orders through market competition both domestically and internationally, and to undertake survey, design, procurement, construction, operation and other tasks of engineering projects in accordance with contractual agreements through approaches such as engineering, procurement and construction and general contracting, while being responsible for the quality, safety and construction period of the contracted projects. The Company has long maintained a leading position in China's infrastructure construction industry and is one of the largest construction engineering contractors in the world. The Company owns three national laboratories (engineering research centres), namely the National Engineering Research Centre for High-Speed Railway Construction Technology (高速鐵路建造技術國家工程研究中心), the National Key Laboratory of Tunnel Boring Machines and Intelligent Operation and Maintenance (隧道掘進機及智能運維全國重點實驗室), and the National Key Laboratory of Intelligent and Green Bridge Construction (橋樑智能與綠色建造全國重點實驗室), as well as 10 postdoctoral workstations, one national-local joint research centre (the National-Local Joint Engineering Research Centre for Digital Rail Transit Technology Research and Application), and 61 provincial and ministerial-level R&D centres (laboratories). The Company represents the most advanced technological level in China in the construction of railways, bridges, tunnels and rail transit. The Company is one of the major infrastructure construction forces under the "Belt and Road" Initiative, and the main contractor for representative "Belt and Road" projects including the China–Laos Railway, the Jakarta–Bandung High-Speed Railway in Indonesia, the Hungary–Serbia Railway, the Padma Bridge and railway connecting line in Bangladesh, and the China–Kyrgyzstan–Uzbekistan Railway.

At the end of the reporting period, the total contract backlog of engineering construction business was RMB4,338.97 billion. Among which, the value of projects with signed contracts but not yet started was RMB1,192.18 billion, and the value of unfinished portions of projects under construction was RMB3,146.79 billion.

(ii) Design and consulting

The Company's design and consulting services are at the forefront of the industry, covering the full spectrum of infrastructure development, from preliminary research, planning consultancy, cost evaluation, survey and design, construction supervision, and engineering, procurement and construction to product industrialisation. The Company's businesses span a wide range of traditional advantageous sectors, including railways, urban rail transit, highways, municipal works, building construction, water transport, water conservancy, and hydropower survey and design. The Company is also actively expanding into new sectors and fields such as new infrastructure, smart transport, civil aviation airports, ports and terminals, urban regeneration, compressed air energy storage, and energy conservation and environmental protection. The Company's basic business model involves securing design and consulting orders through market-oriented competition both domestically and internationally, and providing design, consulting and related services for engineering projects in accordance with contractual agreements. Besides, the Company deeply integrates new technologies such as BIM, AI and "air-space-ground" integration, continuously exploring innovative production and operation models for design and consulting business. By fully leveraging its core advantages in the planning of urban transportation infrastructure, and driven by both market traction and spatial expansion, the Company utilises digital and intelligent transformation to activate new-quality productive forces, continuously strengthening its integrated service capabilities across the industrial chain to achieve collaborative and mutually beneficial development throughout the entire industrial chain. In the 2025 ENR rankings of the world's 150 largest design firms and the 225 largest international design firms, the Company was ranked 30th and 126th respectively.

(iii) Equipment manufacturing

The Company's equipment manufacturing business mainly serves the infrastructure construction at home and abroad, and its products cover turnouts, tunnel construction equipment, bridge construction steel structure, engineering construction machinery, fabricated building components and rail transit electrification equipment, etc. The basic operation mode is mainly to obtain orders through market competition at home and abroad, and provide relevant products and services with guaranteed quality and quantity on schedule according to the contract. The Company has a leading position in the field of high-end equipment manufacturing related to transportation infrastructure such as railways, highways, urban rail transit and underground engineering in the country and even the world. It has outstanding advantages in technological innovation capabilities, core technical advantages, manufacturing capabilities and brand recognition. The Company is the world's leading shield/TBM research and development manufacturer, the world's leading steel structure manufacturer of turnouts and bridges, the leading railway construction equipment manufacturer in China, and the world's leading manufacturer of infrastructure construction service equipment. The market share of the products developed and manufactured by the Company, including tunnel boring machines, specialised mechanised tunnelling equipment, construction machinery, railway switches and steel bridges, continues to lead the industry. CRHIC (stock code: 600528.SH), a majority-owned subsidiary of the Company, has the most complete spectrum of products in the field of railway infrastructure equipment in China and is the only industrial enterprise in A share main board market that mainly engages in high-end equipment for rail transit and underground excavation. CRHEEC (stock code: 688285.SH) is an important supplier engaging in the research and development, production and system integration of domestic electrified catenary components and power supply equipment for urban rail transit. CRPCC (stock code: 300374.SZ) is a supplier with rich product structures and integration service capability of prefabricated buildings in the domestic prefabricated building component industry, and can provide a complete set of solutions for prefabricated buildings.

(iv) Featured property

The Company's property development business possesses the capability to integrate and link the entire real estate industrial chain, including investment and financing, design and R&D, construction, commercial operations and property management, as well as extensive experience in development and operations, enabling it to provide one-stop solutions and services for integrated urban development and operations. The Company has established specialised property development subsidiaries, including China Railway Real Estate and China Railway Construction, whose operations span a diverse range of formats including secondary property development, primary land consolidation, urban regeneration, urban village redevelopment, social housing, metro-top properties, cultural tourism and wellness, and industrial real estate. This multi-format layout facilitates the coordinated development of multiple formats and types, combining short- and long-term cycles to enhance the risk resistance capability and resilience of the property business. The Company's real estate operations remain steadfastly focused on advancing national development strategies and supporting national socio-economic development. It is committed to establishing a new development model for real estate, continuously driving transformation and upgrading, and is progressively transitioning from a traditional commercial real estate developer to a leading domestic integrated urban development and operation service provider integrating multiple business formats, industries and functions.

During the reporting period, the Company held 11.4294 million square meters of land to be developed within China, with a planned gross floor area to be developed of 16.3076 million square meters; it completed investment of RMB42.186 billion in real estate development; and achieved total sales of RMB42.714 billion on a full-caliber basis, with a sales area of approximately 2.2698 million square meters.

(v) Asset operation

The Company's asset operation business secures projects and concession rights by leveraging its integrated strengths in "investment, construction and operation". During the concession period, the Company provides first-class domestic asset operation services. Its service scope mainly covers operation, maintenance, management and asset operation for infrastructure investment projects, including three models: independent operation, joint operation and entrusted operation. The Company has built high-quality brands such as "China Railway's Highway" and "China Railway's Water Affairs" in the expressway and water environment protection sectors. The Company has established a sound and scientific operation and management system in underground utility tunnels, rail transit and other fields. At present, the infrastructure projects invested and constructed by the Company cover various types including rail transit, expressways, underground utility tunnels, water environment protection and industrial parks, extending to most cities and regions nationwide. The Company currently operates 3,300 kilometers of expressways, 330 kilometers of urban rail transit and 200 kilometers of integrated utility tunnels; its water purification and sewage treatment projects have an operational capacity of 1.55 million cubic meters per day, and the length of pipeline networks under operation and maintenance exceeds 10,000 kilometers.

(vi) Resource utilization

The Company's resource utilization business is mainly based on the management and development of mining entities. Currently, it wholly owns, controls or holds shares to invest in the construction of five modern mines at home and abroad, including Luming Molybdenum Mine, Heilongjiang, Luishia Copper-Cobalt Mine, Compagnie Minière de Luisha S.A.S, Congo, MKM Copper-Cobalt Mine, SICOMINES Copper-Cobalt Mine, and Wulan Lead and Zinc Mine, Mongolia, all of which are in good conditions. The main mineral products produced and sold by the Company include concentrate of varieties involving copper, cobalt, molybdenum, lead, zinc and others, copper cathode and cobalt hydroxide. Currently, the retained reserves of copper, cobalt and molybdenum of the Company are in the leading position in the same industry in China, and the mines' production capacity for copper and molybdenum has been at the forefront in the same industry in China. The Company is steadily advancing the development of its mineral resources. In March 2026, a joint venture formed by China Railway Resources, a wholly-owned subsidiary of the Company, and China Gold International successfully secured the exploration rights for the Fuxingtun Lead-Zinc Polymetallic Mine in Xing'an League. In recent years, the Company has been using the management and development of mining entities as the foundation to continuously expand its mining

services business, including ore stripping and the sale of mining equipment, and further acquired projects of construction sand and gravel aggregates. In 2025, the Company's mineral resources business maintained steady production and operation, producing 299,900 tonnes of copper metal, 5,577.99 tonnes of cobalt metal, 14,200 tonnes of molybdenum metal, 8,887.75 tonnes of lead metal, 28,400 tonnes of zinc metal and 34.52 tonnes of silver metal.

Mineral Resource Projects (as at 31 December 2025)

No.	Project name	Type	Mining resource			Equity ratio	Planned investment	Cumulative investment	Production quantity	Project progress
			Grade	Resources/reserves (retained)	in the reporting period					
				(tons)	(%)	(RMB'00 million)	(RMB'00 million)	(tons)		
1	Luming Molybdenum Mine, Yichun. Heilongjiang	Molybdenum Copper	0.09% /	585,741 /	83%	60.17	60.26	14,157.44 1,439.33	In normal production	
2	SICOMINES Copper- Cobalt Mine	Copper Cobalt	3.16% 0.26%	6,008,131 485,587	41.72%	45.86	30.92	253,756.56 5,377.88	In normal production	
3	Luishia Copper-Cobalt Mine	Copper Cobalt	2.15% 0.09%	447,567 17,818	67%	21.38	21.60	24,766.53 200.11	In normal production	
4	MKM Copper-Cobalt Mine	Copper Cobalt	2.08% 0.21%	31,049 3,159	75.2%	11.95	12.35	19,961.89 0	In normal production	
5	Wulan Lead and Zinc Mine, Xinxin Company	Lead Zinc Silver	1.14% 2.84% 55.08 g/t	153,844 383,031 742	100%	15.40	15.40	8,887.75 28,437.29 34.52	In normal production	
6	Muhaer Lead and Zinc Mine, Xinxin Company	Lead Zinc Silver	0.63% 2.37% 118.17g/t	41,141 154,709 770	100%	-	-	-	Under development	
7	Wurle Ovoo and Zhanggai Tolgoi Gold Mine, Xinxin Company	Gold	3g/t	3	100%	-	-	-	Not yet exploited	
8	Silver-Lead-Zinc Polymetallic Mine, Chafu, Xianglong Mineral Co., Ltd.	Lead	7%	89,697	100%	-	-	-	Ceased production	

(vii) Financial and merchandise trading

In the process of conducting financial business, the Company has strictly implemented the requirements of national financial regulatory policies, adhered to the overall guidelines of integration of industry and finance, and insisted on serving internal financial needs as the foundation, promoting the development of principal construction business as the focus, and creating value as the orientation. Adhering to the principle of giving priority to benefits in the allocation of financial resources, the Company guided the flow of financial resources to efficient assets, while firmly holding the bottom line of avoiding financial risks. The Company currently holds financial licenses for trust, finance company and public fund. The approved business operations including assets management, private equity fund, insurance brokerage, finance lease and commercial factoring, all fall within the financial services that the SASAC permits to be conducted in a prudent and regulated manner. The Company has built a multi-level, wide-span and differentiated institutional service system of “finance and quasi-finance” represented by China Railway Trust Co., Ltd., China Railway Finance Co., Ltd. and China Railway Capital Holdings (Beijing) Co., Ltd.

The merchandise trading business of the Company represents the trading business carried out by the trading enterprises at all levels of the Company relying on the demand advantage and product advantage from the main business of the Company, as well as the resource channel advantage from centralized purchase and supply, which mainly focuses on internal trade within the Company and moderately conducts external business. China Railway Resources Group Co., Ltd., a wholly-owned subsidiary of the Company, is responsible for the sales of mineral products in the resource utilization sector. China Railway Material Trade Co., Ltd., a wholly-owned subsidiary of the Company, has established a national-wide operation and service network, and maintained good cooperative relationships with domestic large-scale production enterprises of steel, cement, petrochemical, components for communications engineering, signal engineering, electrical engineering and electrification engineering, building decoration materials and other products, carried out centralized procurement and supply of major materials at the Company level, and supplied materials to other domestic construction enterprises.

(viii) Emerging business

The Company's emerging business encompasses the "second curve" emerging business and strategic emerging industries (including future industries). Emerging business is a key support for implementing national strategies, building a modern industrial system, accelerating the formation of new quality productive forces, and ensuring the sustainable development of enterprises, and plays a vital role in establishing a competitive advantage for the future. In terms of the "Second Curve", the Company has been closely centering on national strategies such as the "3060" dual carbon goals and "two priorities" construction, focused on key regions and emerging fields, adjusted the industrial structure with market orientation, guided the business model with scientific and technological innovation, and concentrated its efforts in the fields of water conservancy and hydropower, clean energy, ecological and environmental protection. In terms of strategic emerging industries, the Company focuses on four major areas: artificial intelligence, industrial software, high-end machine tools and future space, and has increased its development efforts in high-end equipment manufacturing and energy conservation and environmental protection (green building); strengthened the industrial layout in new materials and strategic emerging related service industries; and leveraged its advantages in main business to specialize in and expand construction engineering and related engineering services for strategic emerging industries such as new energy.

4.2.3 Scientific Research Investment and Technological Achievements

As one of the first batch of "Innovative Enterprises" awarded by the Ministry of Science and Technology, the SASAC and the All-China Federation of Trade Unions, the Company has established a multi-level and all-coverage scientific and technological innovation platform system, laying a solid foundation for research and development. The Company currently has 3 national laboratories (engineering research centers), 10 postdoctoral workstations, 1 national and local joint research center, 61 provincial and ministerial research and development centers, 21 national recognized enterprise technology centers and 142 provincial and ministerial recognized enterprise technology centers.

Focusing on green and low-carbon development and digital intelligent transformation, the Company has accelerated the breakthrough and implementation of original technologies. The Company has reorganized and operated the “China Railway Infrastructure Green and Low-Carbon Research Center” as a substantive entity, aiming to create an original technology source, and has carried out two batches of scientific and technological research projects focusing on low-carbon construction, achieving landmark results such as the kilometer-level heavy-load intelligent cable crane and the charging and battery swapping equipment for plateau tunnels. The Company has been granted 89 patents and has achieved over 200 technology transfer projects. The Company has continuously deepened innovation synergy, held the China Intelligent Manufacturing Brand Forum for five consecutive years, launched six major vertical domain models, and promoted the deep integration of industrialization, digitalization and greenization. National strategic assets including the world’s first in-situ variable diameter shield machine, “Variable Diameter No. 1”, have been successively launched. Throughout the year, 48 achievements reached the international leading level, and 112 achievements reached the international advanced level, with the core technological competitiveness continuously leading the industry.

The Company closely followed the national strategic demands, undertook multiple national-level scientific research projects, and empowered major projects with advanced technologies. In 2025, the Company undertook 12 key national research and development projects (leading 7 of them), participated in 10 projects funded by the National Natural Science Foundation of China, initiated major special projects based on recommendations from academicians, and deployed cutting-edge technologies to build a generational advantage; 79 category-A scientific and technological projects have been steadily advanced, focusing on breakthroughs in sectors such as high-speed rail, bridges, tunnels and high-end equipment. The first batch of major special projects of the Sichuan-Tibet Railway have been successfully concluded. 18 projects with 68 sub-projects have passed the performance review, and the technical achievements have been successfully demonstrated and applied. New technologies and equipment such as 690MPa high-performance bridge steel, through-type co-phase power supply device and intelligent catenary inspection and maintenance robot have been effectively implemented, high-end equipment including the “Hongying 1” intelligent cantilever bridge builder, the “Yinglong” 1,000-ton new energy bridge launcher and the “China Railway 1361” raise-boring machine have been put into use, and LUHPC new materials have been widely applied in bridge engineering, which has provided strong technological support for the construction of major national infrastructure.

In 2025, the Company achieved a rich array of scientific research results and a significant increase in both quantity and quality of intellectual property rights, demonstrating its strong R&D capabilities. During the year, the Company won 343 provincial and ministerial science and technology progress awards and 2 China Patent Awards (including 1 Gold Award), and was granted 8,540 patents (including 3,624 invention patents and 194 overseas patents), as well as 1,680 provincial and ministerial construction methods; five units have newly been recognized as “Little Giant” enterprises featured by “professionalism, refinement, specialization and novelty” by the Ministry of Industry and Information Technology, one unit has been awarded the manufacturing single champion, and two products of the Company have been included in the “Recommendation Catalogue of Scientific and Technological Innovation Achievements of Central Enterprises (2024 Edition)”; 16 equipment have been rated as “first unit (set)” equipment at the provincial and ministerial level. As of the end of 2025, the Company has cumulatively won 132 national science and technology progress and invention awards (including 5 special prizes and 17 first prizes), 200 China Civil Engineering Zhan Tianyou Awards and 5,841 provincial and ministerial science and technology awards or above; the Company has won 45 China Patent Awards, and has 48,029 valid patents (including 15,725 invention patents and 1,078 overseas patents), 166 national construction methods and 8,574 provincial and ministerial construction methods. Its accumulation of innovation has become increasingly profound.

4.2.4 Establishment and Implementation of Safety and Quality System

As a construction company, China Railway places the utmost importance on ensuring production safety and reducing work-related accidents. Strict compliance with laws and regulations during production and operations is crucial for the Company’s sustainable development. The Company strictly adheres to relevant laws and regulations such as the Work Safety Law of the People’s Republic of China, the Occupational Disease Prevention and Control Law of the People’s Republic of China, the Fire Protection Law of the People’s Republic of China and the Work-related Injury Insurance Regulations, as well as other laws and regulations in the locations where the Company operates those have a significant impact on the health and safety of our employees. The Company has formulated rules such as the Regulations on Occupational Safety and Health Supervision and Management and the Guiding Opinions on Employee Living Security Work, continuously strengthened management, strived to provide employees with a healthy and safe work environment, and minimize work-related accidents, so as to protect the legitimate rights and interests of workers.

In terms of the system construction, the Company's safety production organization system, responsibility system and command system are organically unified. The Company has set up the Production Safety (Quality) Committee, which is responsible for all aspects of the production safety of the Company. The Committee has 2 chairmen, who are served by the secretary of the Party committee, chairman and president of the Company respectively, 1 vice chairman, who is served by the vice president in charge of safety and quality, and members including other leadership team and senior management, and heads of relevant departments of the headquarters of the Company. The Company has an office of the Safety Committee, which is responsible for implementing the decisions of the Safety Committee. Secondary and tertiary companies have production safety supervision and management departments, and construction and investment enterprises have full-time safety directors. All levels of companies have incorporated safety production into performance evaluations. Units with deficiencies in safety management shall be downgraded in the assessment of the Party building responsibility system, business performance evaluations and various commendations and awards.

In terms of the system improvement, the Company has comprehensively established a "1+9+N" safety supervision and management system. "1" refers to the formulation and promulgation of the guiding document for overall work, namely the Safety, Quality and Environmental Protection Management Measures of China Railway Group; "9" refers to the sorting out, optimization, improvement, integration and simplification of the existing management system, resulting in 9 specialized management systems (including safety production supervision, engineering quality supervision, ecological and environmental protection supervision, emergency management, safety production responsibility system, system supervision and management, management rewards and penalties regulations, selection of quality projects and comprehensive emergency plans); "N" refers to the issue of the Rigid Standards for Safety, Quality and Environmental Protection Management of China Railway Group, which is divided into management, professional and operation sections, totaling 1,299 articles, and the introduction of the Ten Tough Measures for Safety Management of China Railway Group, which has comprehensively established the safety, quality and environmental protection supervision and management system of the Company.

In terms of the enhancement of personnel safety awareness (training), firstly, the Company has organized and carried out the safety leadership training of "key minorities", held a total of three training sessions, and provided training to relevant responsible persons of secondary and tertiary units, exerting the "head goose effect" to drive the overall capability improvement of the safety system. Secondly, the Company carried out the "key position" training for projects, and conducted safety training for tunnel underground excavation construction by region and unit, the focus of which was on enhancing the systematic risk control capabilities of key position personnel in tunnel underground excavation construction, strengthening their sense of responsibility and commitment, and firmly holding the safety bottom line in key areas.

4.2.5 Implementation of Environmental Protection Measures

The details are set out in the “Environmental Information on Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Whose Environmental Information is Disclosed in Accordance with the Law” on page 104 to page 105 of this announcement.

4.2.6 Compliance with Laws and Regulations

As a company dually listed on Shanghai Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), during the reporting period, the Group strictly complied with laws and regulations including the Company Law, the Securities Law and the Code of Corporate Governance for Listed Companies, and various rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, continuously enhanced the corporate governance structure and brought forth new ideas to the operational mechanism of corporate governance, thereby continuously enhancing the rationality and effectiveness of corporate governance. During the reporting period, there was no material breach of laws and regulations by the Group.

4.2.7 Maintenance of Relationship with Stakeholders

The Group always maintains a cooperation relationship of harmony, mutual trust and mutual benefit with its stakeholders, insists on putting itself in the shoes of the stakeholders to consider issues, and proactively responds to the important issues of the stakeholders’ concern. The Group has established a smooth, standardized and distinctive communication system with the stakeholders, and strives to achieve mutual, harmonious and win-win development with the stakeholders.

4.2.8 Outlook

Industry Landscape and Trends

The Outline of the 15th Five-Year Plan for National Economic and Social Development of the People’s Republic of China points out that the major strategic tasks of China’s development during the “15th Five-Year Plan” period are reflected in prioritizing high-quality development, strengthening the domestic economic cycle, advancing common prosperity of the society, and coordinating development and security, and proposes a number of major projects in six aspects, including leading the development of new quality productive forces, building a modern infrastructure system, promoting integrated urban-rural development, ensuring and improving people’s livelihoods, and promoting green and low-carbon transformation. The construction industry is an important link between the real economy and people’s well-being, and it is also a key pillar industry of the national economy. During the “15th Five-Year Plan” period, the construction industry will take “high-quality development” as its theme and innovation and reform as its fundamental driving force, grasp the trends and adapt to changes amidst the tide of the times, further enhance strategic resolve and strengthen development confidence, and better serve and support the advancement of Chinese-style modernization.

During the “15th Five-Year Plan” period, China’s construction industry will undergo profound changes in four major directions, namely transformation and upgrading, ecological construction, safe development and global division, embarking on a new journey of higher quality and more sustainable development. **Firstly, placing greater emphasis on industrial transformation and upgrading.** The construction industry is led by technological innovation to accelerate the transformation towards high-end, intelligent and green development. In terms of high-end development, the urban development is shifting from quantity expansion to quality improvement, and the construction demand is evolving from “availability” to “quality”, which will drive the products to upgrade to quality carriers throughout their entire life cycle, and enterprises to transform from engineering contractors to comprehensive service providers. In terms of intelligence, relying on technologies such as artificial intelligence, BIM and digital twins, intelligent construction and industrialization are deeply coordinated, and the construction paradigm is making a leap from traditional construction to digital-driven and intelligent operation and maintenance. In terms of greening, the development of green buildings is shifting from policy-driven to endogenous value creation, ultra-low energy consumption and near-zero energy consumption buildings are being promoted at scale, and full-lifecycle low-carbon has become the core development concept of the industry. **Secondly, placing greater emphasis on the construction of industrial ecosystem.** The construction industry is undergoing a transformation from fragmented competition to collaborative symbiosis, with integration and anti-involution becoming the main themes. On the one hand, the integrated development of multiple networks such as transportation, energy and information is driving enterprises to break boundaries, integrate resources throughout the entire industrial chain, and mobilize cross-border forces from technology, finance, manufacturing and other fields to innovate the “construction+” integration model. On the other hand, to address issues such as low-price bidding and homogeneous internal friction, an industrial ecosystem centered on chain master enterprises is accelerating its formation. The industry is shifting from price wars to value competition, and from a zero-sum game to win-win collaboration. Large, medium and small enterprises are pursuing differentiated development and complementary symbiosis, making ecosystem leadership the core competitiveness of leading enterprises. **Thirdly, placing greater emphasis on the safe development of industries.** During the “15th Five-Year Plan” period, the industry will pay more attention to stabilizing operations, preventing risks and adhering to the bottom line, guard against debt risks, liquidity risks and the chain reactions brought about by differentiation and market clearing, and take safe and stable operation as the prerequisite for high-quality development. **Fourthly, placing greater emphasis on global industrial division.** China’s construction industry is shifting from “going out” to “integrating in”, achieving high-quality international development. In terms of market layout, the industry is deepening its presence in the traditional markets along the “Belt and Road”, focusing efforts on high-end sectors such as smart transportation and zero-carbon buildings, and breaking into the high-end markets in Europe and the US. In terms of technical standards, the industry is shifting from following and imitating to leading and exporting, thereby strengthening its international discourse

power in intelligent and green construction. In terms of industrial chain, the industry is shifting from operating in isolation to going global as clusters, promoting regional layout of the supply chain, providing integrated solutions, and upgrading the business model to full-lifecycle services of “investment – construction – operation”, thereby enhancing global resource allocation and international competitiveness.

Corporate Development Strategy

During the “15th Five-Year Plan” period, the Group will fully implement the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply implement the spirit of the 20th National Congress of the CPC and all plenary sessions of the 20th CPC Central Committee, take the important instructions of General Secretary Xi Jinping on the work of central enterprises as the guiding principle, uphold and strengthen the Party’s comprehensive leadership, and adhere to seeking progress while maintaining stability and pursuing innovation amidst progress. Taking high-quality development as the theme, reform and innovation as the fundamental driving force, and comprehensive strict governance of the Party as the essential guarantee, the Company will practice the corporate values of “creation, quality and brand”, strive to win the “five major critical battles” of stabilizing growth, adjusting structure, driving reform and innovation, improving quality and efficiency, and leading with Party building, continuously enhance core functions and boosting core competitiveness, and strive to become a pioneer in advancing Chinese-style modernization and a leading enterprise in the high-quality development of the construction industry, thereby contributing greater strength to Chinese-style modernization.

During the “15th Five-Year Plan” period, the Company will unswervingly transform toward all-round infrastructure development. On the basis of consolidating its leading advantages in the railway, urban rail transit, highway, municipal and housing construction industries, the Company will focus on horizontally expanding into new infrastructure sectors such as water conservancy and hydropower, energy pipelines, intelligent construction and computing power facilities, and will unswervingly transform and develop toward full-lifecycle services, extending vertically from mainly focusing on construction to providing full-lifecycle services for existing facilities such as operation, maintenance, renovation of existing lines, and urban renewal (“operation, maintenance, renovation and renewal”). The Company will be committed to the “five modernizations” development, promote the transformation and upgrading of the Company through in-depth advancement of high-end upgrading, digital intelligent transformation, green renovation, integrated connection and global expansion, better match the new market demands and competitive needs, and consolidate and enhance the position and competitiveness of construction, high-end engineering equipment, mining and other industries in the global industrial division.

4.2.9 Operating Plan

In 2026, the Company will adhere to the principles of seeking progress while maintaining stability, pursuing innovation amidst progress, deepening reform, and improving quality and efficiency. By strengthening overall coordination and planning, the Company will complete the annual targets and tasks with high quality, laying a solid foundation for a good start in the “15th Five-Year Plan” period. In 2026, the Group plans to achieve total revenue of approximately RMB1,011.800 billion, costs of operation (including interest expense) of approximately RMB919.100 billion, and four expenses of approximately RMB54.279 billion. It is estimated that the newly signed contracts to be entered into will amount to approximately RMB2.75 trillion. The Company will promptly adjust its operation plan in response to the market changes and the actual implementation of the plan.

4.3 Financial Performance Overview

The Group’s principal business activities are infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development and other businesses.

In the year of 2025, the Group achieved revenue of RMB1,093.494 billion, representing a year-on-year decrease of 5.8%. Profit for the year decreased by 14.3% year-on-year to RMB26.347 billion while profit for the year attributable to owners of the Company decreased by 17.9% year-on-year to RMB22.892 billion.

A comparison of the financial results for 2025 and 2024 is set forth below.

4.4. Consolidated Results of Operations

Revenue

In 2025, the Group’s revenue decreased year-on-year by 5.8% to RMB1,093.494 billion. Among which, revenue from overseas was RMB74.018 billion, representing a year-on-year increase of 7.8%.

Cost of sales and services and gross profit

The Group’s cost of sales and services primarily includes cost of raw materials and consumables, subcontracting cost, equipment usage cost (consisting of maintenance, rental and fuel cost), employee compensation and benefits and depreciation and amortization expenses. In 2025, the Group’s cost of sales and services recorded a year-on-year decrease of 5.2% to RMB995.537 billion, while gross profit of the Group decreased year-on-year by 11.1% to RMB97.957 billion. The overall gross profit margin for 2025 was 9.0%, representing a decrease of 0.5% from 9.5% for 2024.

Other income

The Group's other income primarily consists of subsidies from government, interest income from other financial assets at amortised cost, compensation and claims and dividend income. In 2025, the Group's other income was RMB4.462 billion, increased by 11.1% from RMB4.018 billion of last year.

Other expenses

The Group's other expenses primarily includes compensation expenditure, penalty cost and lawsuit expenditure. In 2025, the Group's other expenses increased by 43.6% from RMB0.847 billion of last year to RMB1.216 billion, mainly due to the increase penalty cost and lawsuit expenditure.

Net impairment losses on financial assets and contract assets

The Group's net impairment losses on financial assets and contract assets mainly includes impairment losses on trade and other receivables, other financial assets at amortised cost and contract assets. In 2025, the Group's net impairment losses on financial assets and contract assets decreased year-on-year by 5.4% to RMB6.429 billion, mainly attributable to the decrease in impairment losses on trade and other receivables.

Other gains, net

The Group's other gains and losses mainly include gains/losses on disposal/write-off of right-of-use assets and property, plant and equipment, foreign exchange gains/losses, gains/losses on disposal/write-off of financial assets/liabilities at fair value through profit and loss, gains/losses on changes in the fair value, and gains/losses on disposal of investment in subsidiaries, associates and joint ventures. The Group's other gains recorded RMB737 million in 2025, mainly comprised of gains of RMB1.612 billion on disposal of investment in joint ventures.

Losses from derecognition of financial assets at amortised cost

The Group's losses from derecognition of financial assets at amortised cost mainly include the losses arising on derecognition of trade receivables which were transferred in accordance with asset-backed notes ("ABN") and asset-backed securities ("ABS") issuance, and non-recourse factoring agreements. In 2025, the Group's losses from derecognition of financial assets at amortised cost was RMB4.393 billion, representing a decrease of 14.6% from last year. In 2025, the Group transferred trade receivables of RMB71.513 billion and RMB30.411 billion under the issuance of ABNs and ABSs, and non-recourse factoring agreements, respectively (2024: RMB89.480 billion and RMB17.036 billion, respectively).

Selling and marketing expenses

The Group's selling and marketing expenses primarily consist of employee compensation and benefits, distribution and logistic costs and advertising costs. In 2025, the Group's selling and marketing expenses amounted to RMB6.404 billion, representing a year-on-year decrease of 7.8%. Such decrease was mainly due to the decrease in marketing expenses of the Group's real estate business. The selling and marketing expenses as a percentage of the total revenue for 2025 was 0.6%, basically remained at a similar level as last year.

Administrative expenses

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortisation of its assets related to administration. In 2025, the Group's administrative expenses were RMB23.173 billion, representing a year-on-year decrease of 9.1%. The decrease in administrative expenses was mainly because the Group continued to deepen the promotion of cost reduction and efficiency improvement, strictly controlled management expenses and rigidly reduced unnecessary expenses. Administrative expenses as a percentage of revenue for 2025 was 2.1%, representing a decrease of 0.1 percentage point from last year.

Research and development expenditures

In 2025, the Group's research and development expenditures decreased by 15.7% from RMB26.632 billion of last year to RMB22.443 billion. The Group's investment in research and development continued to remain at a high level.

Finance costs, net

In 2025, the Group's net finance costs (finance costs less finance income) was RMB7.681 billion, representing an increase of 55.5% from last year. It was mainly due to the decrease in capitalized interest expenses and interest income.

Profit before income tax

As a result of the foregoing factors, the profit before income tax for 2025 decreased by RMB6.162 billion or 15.2% to RMB34.451 billion from RMB40.613 billion for 2024.

Income tax expense

In 2025, the Group's income tax expense was RMB8.104 billion, representing a decrease of 17.8% from last year. By excluding the impact of land appreciation tax, the effective income tax rate of the Group was 20.9% for 2025, representing an increase of 0.9 percentage point from last year.

Profit for the year attributable to owners of the Company

In 2025, profit for the year attributable to owners of the Company decreased by 17.9% to RMB22.892 billion from RMB27.887 billion for 2024.

4.5 Segment Results

The revenue and results of each segment of the Group's business for the year ended 31 December 2025 are set forth in the table below.

Business segment	Revenue <i>RMB million</i>	Growth rate <i>(%)</i>	Profit/ (loss) before income tax	Growth rate <i>(%)</i>	Profit/ (loss) before income tax margin ¹	Revenue as a percentage of total <i>(%)</i>	Profit/ (loss) before income tax as a percentage of total <i>(%)</i>
			<i>RMB million</i>		<i>(%)</i>		<i>(%)</i>
Infrastructure Construction	950,091	-6.9	31,435	-8.7	3.3	83.0	84.3
Survey, Design and Consulting Services	18,209	-1.7	1,613	10.5	8.9	1.6	4.3
Engineering Equipment and Component Manufacturing	34,015	-5.2	1,851	-6.2	5.4	3.0	5.0
Property Development	45,322	-7.3	(2,671)	-11.2	-5.9	4.0	-7.2
Other Businesses	95,657	-6.4	5,074	-28.4	5.3	8.4	13.6
Inter-segment elimination and adjustments	<u>(49,800)</u>		<u>(2,851)</u>				
Total	<u>1,093,494</u>	<u>-5.8</u>	<u>34,451</u>	<u>-15.2</u>	<u>3.2</u>	<u>100.0</u>	<u>100.0</u>

¹ Profit/(loss) before income tax margin is the profit/(loss) before income tax divided by the revenue.

Infrastructure construction business

Revenue from the Group's infrastructure construction business is mainly derived from construction of railway, highway and municipal works. Revenue from the infrastructure construction business continues to account for a high percentage of total revenue of the Group. In 2025, the revenue from the infrastructure construction business accounted for 83.0% of the total revenue of the Group (2024: 83.3%). In 2025, the Group's revenue of infrastructure construction business decreased by 6.9% year-on-year to RMB950.091 billion. Gross profit margin and profit before income tax margin of the infrastructure construction business for 2025 was 8.0% and 3.3% respectively (2024: 8.3% and 3.4% respectively). The decrease in gross profit margin and profit before income tax margin was mainly due to the decrease in profitability of railway and municipal work businesses.

Survey, design and consulting services business

Revenue from the survey, design and consulting services business primarily derives from providing a full range of services on survey, design and consulting, research and development, feasibility studies and compliance certification of infrastructure construction projects. In 2025, the Group's survey, design and consulting services business recorded revenue of RMB18.209 billion, representing a year-on-year decrease of 1.7%. Gross profit margin and profit before income tax margin for 2025 was 27.7% and 8.9% respectively (2024: 29.1% and 7.9% respectively). The decrease in gross profit margin was mainly due to the relatively low profitability of certain projects which are complex in design and required significant investment while the increase in profit before income tax margin was mainly due to the decrease in credit impairment loss, administrative expenses and research and development expenditures.

Engineering equipment and component manufacturing business

Revenue from the engineering equipment and component manufacturing business primarily derives from the design, research and development, manufacture and sale of turnouts and other railway-related equipment, bridge steel structures and construction machinery. In 2025, the revenue of the engineering equipment and component manufacturing business of the Group decreased by 5.2% year-on-year to RMB34.015 billion. Gross profit margin and profit before income tax margin for 2025 was 19.6% and 5.4% respectively (2024: 19.6% and 5.5% respectively). The gross profit margin and profit before income tax margin remained basically the same as last year.

Property development business

In 2025, the Group's revenue from property development business recorded RMB45.322 billion, decreased by 7.3% year-on-year. Gross profit margin and profit before income tax margin for 2025 was 7.3% and -5.9% (2024: 11.1% and -4.9% respectively). The decrease in gross profit margin and profit before income tax margin was mainly due to the decrease in sales price resulting from the continued decline in real estate market.

Other businesses

In 2025, the Group steadily implemented the limited and interrelated diversification strategy, and the revenue from other businesses segment decreased by 6.4% year-on-year to RMB95.657 billion in 2025. Gross profit margin for 2025 was 13.6%, representing a decrease of 3.7 percentage points from 17.3% for 2024. Profit before income tax for 2025 was RMB5.074 billion (2024: RMB7.084 billion). Among which: ①Revenue from asset operation business was RMB7.020 billion, a year-on-year increase of 24.1%. ②Revenue from resources utilisation business was RMB8.908 billion, a year-on-year increase of 8.5%. ③Revenue from merchandise trading business was RMB58.632 billion, a year-on-year decrease of 10.1%. ④Revenue from financial business was RMB4.130 billion, a year-on-year decrease of 5.0%.

4.6 Cash Flow

In 2025, the net cash inflow from operating activities of the Group amounted to RMB28.772 billion, representing an increase in net cash inflow of RMB0.721 billion from RMB28.051 billion for 2024, mainly due to the fact that the Group took multiple measures to strengthen cash flow management and maintained a healthy and stable cash flow operation level.

In 2025, the net cash outflow from investing activities of the Group amounted to RMB45.265 billion, representing a decrease in net cash outflow of RMB37.024 billion from RMB82.289 billion for 2024, which was mainly due to increase in return on investment.

In 2025, the net cash inflow from financing activities of the Group amounted to RMB28.682 billion, representing a decrease in net cash inflow of RMB28.713 billion from RMB57.395 billion for 2024, which was mainly due to the decrease in growth rate of borrowings and decrease in equity investment in infrastructure investment projects.

Capital expenditure

The capital expenditure of the Group primarily comprises expenditure on purchases of equipment, upgrading of the Group's production facilities and investment in infrastructure investment projects under intangible assets mode. The Group's total capital expenditure for 2025 was RMB74.667 billion, representing an increase of 5.1% from RMB71.037 billion for 2024. Such increase was mainly due to the increase in capital expenditure on intangible assets.

The following table sets forth the Group's capital expenditure by business segment in 2025.

	Infrastructure construction <i>RMB million</i>	Survey, design and consulting services <i>RMB million</i>	Engineering equipment and component manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Total <i>RMB million</i>
Property, plant and equipment	14,496	204	1,579	308	3,949	20,536
Investment properties	353	1	–	276	81	711
Intangible assets	35,385	26	479	4	10,904	46,798
Mining assets	–	–	–	–	12	12
Right-of-use assets	5,287	63	204	37	1,019	6,610
Total	55,521	294	2,262	625	15,965	74,667

Working capital

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Inventories	73,478	72,372
Trade and bills receivables	485,946	359,446
Trade and bills payables	940,556	773,169
Turnover of inventory (days)	26	22
Turnover of trade and bills receivables (days)	139	86
Turnover of trade and bills payables (days)	310	233

At the end of 2025, the balance of the Group's inventories was RMB73.478 billion, representing an increase of 1.5% from the end of 2024. Such increase was mainly due to the increase in construction material reserves for ensuring the production progress of projects. The Group's inventory turnover days was 26 days in 2025, representing an increase of 4 days from 2024.

Trade and bills receivables

At the end of 2025, the Group's trade and bills receivables increased by 35.2% from the end of 2024 to RMB485.946 billion, which was mainly due to the increase in business scale and the delayed payment of some project owners. The turnover days of trade and bills receivables was 139 days in 2025, representing an increase of 53 days from 2024. According to the ageing analysis of the Group's trade and bills receivables, most of the Group's trade and bills receivables were of less than one year and the trade and bills receivables of more than one year accounted for 17.0% (31 December 2024: 17.4%) of the total receivables, which reflected the sound receivables management capability of the Group.

The following table sets forth the ageing analysis of the Group's trade and bills receivables as at 31 December 2025 and 2024, based on invoice date.

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Less than one year	403,509	297,064
One year to two years	38,578	24,032
Two years to three years	12,765	13,509
Three years to four years	11,301	7,323
Four years to five years	4,486	3,036
More than five years	15,307	14,482
Total	<u>485,946</u>	<u>359,446</u>

Trade and bills payables

The Group's trade and bills payables primarily consist of amounts owed to the Group's suppliers of raw materials, machinery and equipment. The Group's trade and bills payables increased by 21.6% from end of 2024 to RMB940.556 billion as at the end of 2025, which was mainly due to the increase in business scale and reasonable adjustment of payment methods. The turnover days of trade and bills payables was 310 days in 2025, representing an increase of 77 days from 233 days in 2024. According to the ageing analysis of the Group's trade and bills payables, most of the Group's trade and bills payables were of less than one year and the trade and bills payables of more than one year accounted for 14.7% (31 December 2024: 6.3%) of the total payables.

The following table sets forth the ageing analysis of the Group's trade and bills payables as at 31 December 2025 and 2024, based on invoice date.

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Less than one year	802,695	724,349
One year to two years	84,538	26,926
Two years to three years	27,312	8,907
More than three years	26,011	12,987
Total	<u>940,556</u>	<u>773,169</u>

4.7 Borrowings

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

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Bank borrowings		
Secured	165,906	145,510
Unsecured	316,936	297,425
	482,842	442,935
Long-term debentures, unsecured	58,842	50,907
Other borrowings		
Secured	1,109	1,048
Unsecured	25,371	23,077
Total	<u>568,164</u>	<u>517,967</u>
Long-term borrowings	426,368	373,736
Short-term borrowings	141,796	144,231
Total	<u>568,164</u>	<u>517,967</u>

As at 31 December 2025, the Group's long-term borrowings was RMB426.368 billion, representing an increase of 14.1% from the end of 2024. Such increase was mainly due to the increase in borrowings for infrastructure investment projects as construction progressed and increase in acquisition of subsidiaries. The Group's short-term borrowings was RMB141.796 billion, representing a decrease of 1.7% from the end of 2024.

Bank borrowings carry interest rates ranging from 1.00% to 10.17% (31 December 2024: 0.50% to 11.20%) per annum. Long-term debentures carry fixed interest rates ranging from 1.86% to 4.00% (31 December 2024: 2.18% to 4.80%) per annum. Other borrowings carry interest rates of 1.50% to 5.44% (31 December 2024: 2.65% to 4.80%) per annum. In 2025, the Group's average cost of financing was 3.04%, representing a year-on-year decrease of 0.53 percentage point.

The following table sets forth the maturity of the Group's borrowings as at 31 December 2025 and 2024.

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Less than one year	141,796	144,231
One year to two years	51,909	51,914
Two years to five years	101,656	88,745
More than five years	272,803	233,077
	<hr/>	<hr/>
Total	<u>568,164</u>	<u>517,967</u>

As at 31 December 2025 and 2024, the Group's floating-rate borrowings were RMB345.537 billion and RMB302.796 billion respectively.

The following table sets forth the carrying amounts of the Group's borrowings by currencies as at 31 December 2025 and 2024. The Group's borrowings are primarily denominated in Renminbi and the Group's foreign currency borrowings are primarily denominated in U.S. dollars.

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
RMB	559,160	508,459
USD	8,856	9,330
Others	148	178
	<hr/>	<hr/>
Total	<u>568,164</u>	<u>517,967</u>

The following table sets forth the details of the Group's secured borrowings as at 31 December 2025 and 2024.

	As at 31 December			
	2025		2024	
	Secured borrowings	Carrying amount of pledged assets and contract value of certain rights	Secured borrowings	Carrying amount of pledged assets and contract value of certain rights
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Property, plant and equipment	2,565	4,849	2,065	5,885
Intangible assets	110,825	154,254	93,476	146,304
Properties under development for sale	6,079	13,214	5,444	6,939
Trade and bills receivables	165	532	445	555
Contract assets	46,689	77,731	45,128	77,928
Mining assets	504	1,070	–	–
Right of use assets	188	162	–	–
Total	167,015	251,812	146,558	237,611

As at 31 December 2025, the Group's gearing ratio (total liabilities/total assets) was 78.1%, representing an increase of 0.7 percentage point from 77.4% as at 31 December 2024.

4.8 Contingent Liabilities

The contingent liabilities related to legal claims in the Group's ordinary course of business are set forth in the table below:

	As at 31 December	
	2025	2024
	<i>RMB million</i>	<i>RMB million</i>
Pending lawsuits (<i>Note 1</i>)		
– arising in the ordinary course of business	1,753	2,576

Note 1: The Group has been involved 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 the management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice. No provision has been made for those pending lawsuits where the management considered that the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. The aggregate sum of those unprovided claims is disclosed in the table above.

4.9 Business Risks

The major risks the Group may face include real estate investment risk, international operations risk, infrastructure investment risk and cash flow risk.

- 1. Real estate investment risk:** This refers to the possibility of incurring losses due to investment returns falling below expectations resulting from significant changes in factors such as external environment, interest rates, market supply and demand, market competition and relevant policies during real estate project development and operation.
- 2. International operation risk:** This refers to the possibility of financial losses or reputational damage exposed to the Company resulting from the negative impact of international political situation, foreign policy changes, administrative intervention from government, economic, social, environmental or technological standard changes and other factors on the Company's operations which caused the overseas production and operations cannot proceed normally.
- 3. Infrastructure Investment Risk:** This refers to the possibility of incurring losses due to investment returns falling below expectations resulting from significant changes in external policies, market environment and financing conditions during the investment in infrastructure construction.
- 4. Cash flow risk:** This refers to the possibility of financial losses or reputational damage exposed to the Company resulting from escalating financing scale, potential delays in payments, investments or debt repayment of the Company due to increased cash outflows, relatively slower inflows and significant financial pressure.

To prevent the occurrence of various types of risks, the Group carries out assessment, monitoring and early warning of relevant major risks, makes various types of risks correspond to the various business processes through the establishment and operation of the risk management and internal control systems, pursuant to which the Group can decompose and identify the critical control point of business processes, develop specific control measures, establish procedures control lists, implement the responsibilities of the various types of risks and critical control point, work closely with the day-to-day management and control, and control risk factors and elements. In addition, the Group strictly supervises the important control aspects of earlier stage of feasibility study, planning, reviewing, auditing, approval and decision-making; enhances procedure control and post-assessment work, and develops strategies and contingency plans to deal with risks, which guarantees the overall controllability of the Group's various types of risks.

5 SIGNIFICANT EVENTS

5.1 The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves

5.1.1 *Formulation, implementation or adjustment of the cash dividend policy*

(1) *Specific policies for profit distribution*

According to the Articles of Association of the Company, the specific policies for profit distribution of the Company are as follows:

- (i) Form of profit distribution: The Company distributes profits in cash, share or a combination of cash and share. The Company can make interim profit distributions when conditions permit.
- (ii) Specific conditions, proportion and interval of the Company's cash dividends: Under the premise of ensuring the Company's continuous operation and long-term development, if the Company is profitable in the year and the accumulated undistributed profit is positive and there are no major investment plans or other major cash expenditures, the Company will distribute the profits in cash after appropriation to the statutory reserves and other reserves in full. In any three consecutive years, the Company's accumulated profits distributed in cash shall not be less than 30% of the annual average distributable profits realized in the three years; the annual profits distributed in cash shall generally not be less than 10% of the distributable profits realized in the year. The Company may not distribute cash dividends under the following special circumstances:
 - ① The auditors issue a non-standard unqualified audit report on the Company's financial report for the year.
 - ② The operating net cash flow is negative in the year.

If the abovementioned conditions for cash dividends are met, the Company in principle shall distribute cash dividends once a year, and the Company's Board of Directors can propose the Company to make interim cash dividends based on the Company's profitability and capital demand.

(iii) Specific conditions for the Company to issue share dividends: The Company can propose a share dividend distribution plan when the Company is in good operating condition, and the Board of Directors believes that the Company's share price does not match the Company's share capital and that issuing share dividends is beneficial to the overall interests of all shareholders of the Company, under the premise that the abovementioned conditions for cash dividends are met.

(2) *Implementation of the cash dividend policy during the reporting period*

Profits are distributed in cash under the 2024 profit distribution plan of the Company. Pursuant to the profit distribution plan considered and approved at the 2024 annual general meeting convened on 20 June 2025, a cash dividend of RMB0.178 (tax inclusive) per share, based on the total share capital of 24,741,008,919 shares before the implementation of the profit distribution plan, was declared by the Company, totaling RMB4,403,899,587.58 (tax inclusive) and approximately 15.79% of net profit attributable to the shareholders of the listed company under the consolidated financial statements for the year of 2024 of the Company. The announcement on the profit distribution of H shares was published on 25 June 2025 on the website of Hong Kong Stock Exchange and the website of the Company. The announcement on the profit distribution of A shares was published on 11 July 2025 on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of Shanghai Stock Exchange. As of 31 July 2025, the implementation of the profit distribution plan of the Company for 2024 has been completed.

According to the authorisation by the 2024 annual general meeting held by the Company on 20 June 2025, the 2025 interim dividend was implemented. The interim profit distribution plan was considered and approved at the sixteenth meeting of the sixth session of the Board of Directors of the Company on 30 October 2025. The total share capital of the Company upon the implementation of the plan was 24,686,285,629 shares. After deducting 10,501,500 shares in the Company's dedicated securities account for repurchase and 63,700 restricted shares of Company not yet cancelled, the total share capital entitled to participate in the distribution was 24,675,720,429 shares, a cash dividend of RMB0.082 (tax inclusive) per share was declared by the Company, totaling RMB2,023,409,075.18 (tax inclusive) and approximately 17.11% of net profit attributable to the shareholders of the listed company under the consolidated financial statements for the first half of the year of 2025 of the Company. The announcement on the profit distribution of H shares was published on 18 November 2025 on the website of Hong Kong Stock Exchange and the website of the Company. The announcement on the profit distribution of A shares was published on 16 December 2025 on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of Shanghai Stock Exchange. As 23 December 2025, the implementation of the profit distribution plan of the Company for the first half of the year of 2025 has been completed.

(3) *Profit distribution plan for 2025*

Pursuant to the relevant provisions of the Company Law and the Articles of Association, taking into account factors such as shareholder returns and the capital requirements of the Company for its business development, and in accordance with the “Resolution on the Profit Distribution Plan for 2025 of the Company” which was considered and approved at the twentieth meeting of the sixth session of the Board, the details of the profit distribution plan are set out below: the retained profits of the parent at the beginning of 2025 were RMB104,876,993,169.38 based on the audited financial report of the Company for 2025. After taking into account the net profit realized by the parent of RMB15,027,418,851.86 during the year and deducting the cash dividends and interest payments on perpetual notes for 2024 and 2025 interim period amounting to RMB9,079,670,134.86, and after deducting the statutory surplus reserve of RMB1,502,741,885.19 which was calculated at 10% of the net profit of the parent, the distributable profit of the parent to shareholders amounted to RMB109,322,000,001.19 as of 31 December 2025.

The 2025 interim dividend was implemented in December 2025, a cash dividend of RMB0.82 (tax inclusive) per 10 shares was declared, totaling RMB2,023,409,075.18 (tax inclusive); a cash dividend of RMB0.86 (tax inclusive) per 10 shares is proposed to distributed to all shareholders. As at the date of disclosure of this announcement, the Company’s total share capital was 24,686,221,929 shares. After deducting 28,812,000 shares in the Company’s dedicated securities account for repurchase, the total share capital entitled to participate in the distribution was 24,657,409,929 shares and calculated on this basis, a cash dividend of RMB2,120,537,253.89 (tax inclusive) is proposed to distributed, representing 9.26% of net profit attributable to the shareholders of the listed company under the consolidated financial statements for the current year of the Company of RMB22,891,703,407.18. In 2025, the total cash dividend (including interim dividend) that the Company proposed to distribute was RMB4,143,946,329.07 (tax inclusive), representing 18.10% of net profit attributable to the shareholders of the listed company under the consolidated financial statements for the current year of the Company. Upon the distribution, the remaining retained profit of the parent amounted to RMB107,201,462,747.30 will be carried forward to the next year.

The profit distribution will be based on the total shares entitled to participate in the distribution on the record date for implementation of the equity distribution. The specific date will be ascertained in the announcement regarding the implementation of the equity distribution. If the Company's total share capital changes before the record date for the equity distribution, the Company intends to maintain the distribution amount per share unchanged, and adjust the rate accordingly. The Company will make a further announcement on the details of the adjustment.

(4) *Information on the profit distribution for 2025*

In 2025, the Company intends to make a cash dividend at 18.10% of net profit attributable to the shareholders of the listed company under the consolidated financial statements for the current year of the Company, where dividend payout ratio is less than 30% of net profit attributable to the shareholders of the listed company under the consolidated financial statements for the current year, reasons of which are mainly as follows:

(i) Situation and characteristics of the industry of the Company

In 2025, the construction industry presented a phased characteristic of “stability under pressure, quality improvement and transformation”, with profound changes in development concepts, market environment and construction models. The nation's proposal for the “15th Five-Year Plan” outlines seven development goals, emphasizing the optimization and upgrading of traditional industries and the establishment of a modern infrastructure system. The Central Urban Work Conference noted that China's urbanization is shifting from a phase of rapid growth to one of stable development, and urban development is transitioning from large-scale expansion to a phase focused primarily on improving the quality and efficiency of existing infrastructure. Under these policy directions, the priority of traditional infrastructure investment has relatively declined, investment growth potential continues to narrow, and industry competition has intensified. Compounded by tight capital constraints among some project owners, the overall external debt collection environment remains severe, and there is a significant demand for funds to maintain daily operational cash flow.

(ii) Listed company's development stage and its own business model

The Company has resolutely implemented the decisions and arrangements of the Central Committee of the Communist Party of China and the State Council, as well as the work requirements of the SASAC, and earnestly uphold our corporate values of “creation, quality and brand”, continuously optimized its regional layout, coordinately promoted deepening reforms, consistently adhered to high-quality development, and steadily enhanced its global competitiveness and brand influence. The Company will actively respond to market changes, continuously promoted the structural adjustment and transformation and upgrading, and continuously strengthen the development foundation. Additionally, in order to maintain the market competitiveness, the Company has to constantly invest in technology research and development, equipment updating, talent cultivation and other aspects so as to enhance the Company's competitiveness.

(iii) Profitability level and demands on the funds of the Company

In recent years, the Company has maintained a relatively stable profitability and generated consistent and stable investment returns for its shareholders. To sustain profitability, the Company faces significant capital requirements. Firstly, competition in the traditional infrastructure sector has intensified; to maintain market share, ensure smooth contract fulfillment, and promptly settle outstanding payments to SMEs, substantial funds are required to support daily operational cash flow. Secondly, the Company's ongoing advancement of PPP investment, construction and operation requires substantial capital investment. As the Company vigorously promotes industrial restructuring and cultivates and develops new quality productive forces, substantial financial support is also required. Thirdly, with ongoing escalation of geopolitical conflicts, severe instability in regional security situations, and a profound reshaping of the global political and economic landscape, it is necessary for the Company to maintain a certain amount of funds to enhance its risk-resilience in the face of these unpredictable external shocks.

- (iv) Intended usage of the listed company's retained undistributed profits and earnings situation

The Company's retained undistributed profits will be used for seizing market development opportunities, continue to deepen the Company's strategic transformation, enhance structural adjustment, and seek new growth points. On the basis of consolidating the advantages of traditional business of rail way, urban rail, highway, municipal administration and property development, the Company will focus on expanding horizontally into new infrastructure sectors such as water conservancy and hydropower, energy pipeline networks, smart construction and computing infrastructure, while also extending vertically from a focus on engineering construction to providing full-lifecycle services for existing infrastructures, increasing capital investment, promoting the optimization and upgrading of business structure, enhancing the profitability, and providing shareholders with long-term and stable return.

- (v) Measures the Company intended to take to enhance investor returns

The Company will continue to focus on the core objectives of "efficiency improvement and value creation", and make every effort to promote high-quality and stable growth in operations, enhance the market competitiveness of traditional advantageous areas, accelerate the transformation and development of businesses, and improve the new operating system; strive to improve the quality and efficiency of investment and operation, actively expand effective investment, accelerate asset revitalization and disposal of inefficient and ineffective assets; continuously improve value creation capabilities, strengthen the management of value creation projects, continue to carry out the debt collection campaign, implement the three-year action plan for further improvement of business management and debt reduction, and strive to improve investor returns.

(5) *Arrangement of 2026 interim dividend plan*

In order to implement relevant requirements of the Certain Opinions on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market (《關於加強監管防範風險推動資本市場高質量發展的若干意見》) issued by the State Council, the Certain Opinions on Improving and Strengthening the Management of Market Value of Listed Companies Controlled by Central Enterprises (《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》) issued by the SASAC of the State Council and the Listed Companies Regulatory Guidance No. 10 – Market Value Management (《上市公司監管指引第10號 — 市值管理》) on encouraging listed companies to increase frequency of dividend distribution

and optimizing dividend distribution tempo, and to further stabilize investors' dividend distribution expectation, share the Company's operating performance with investors in a timely manner and enhance investors' confidence of long-term shareholding, the Company proposes to make one more interim dividend distribution in 2026. The Board of Directors of the Company proposed to general meeting of shareholders to authorize the Board of Directors to formulate and implement the interim dividend distribution plan of 2026 once satisfying the profit distribution conditions. Detailed arrangement is as follows:

- (1) Conditions for interim dividends: ①the Company will record continuous profit-making in the first half of 2026; ②cash flows can meet the Company's daily operations and capital expenditures and other capital needs; ③it will not affect the normal operation and sustainable development of the Company.
- (2) Cap of interim dividends: the total dividends shall not exceed 20% of net profit attributable to ordinary shareholders of listed company under the consolidated financial statements of the Company for the first half of 2026.
- (3) Authorization arrangement: in order to simplify the dividend distribution procedure, it will propose the general meeting to authorize the Board of Directors to formulate and implement a specific interim dividend distribution plan within the scope of the above-mentioned interim dividend distribution plan.

5.1.2 Special explanation of the cash dividend policy

Was it in compliance with the provisions of the Articles of Association and the resolutions of the general meeting?	Yes
Were the dividend distribution criteria and proportion well-defined and clear?	Yes
Were the related decision-making process and mechanism in place?	Yes
Did independent directors fulfill their duties and play their role?	Yes
Were the minority shareholders given opportunities to sufficiently voice their opinion and make requests and were the legal interests of the minority shareholders fully protected?	Yes

5.1.3 If profits for the reporting period and the distributable profit of the parent Company to ordinary shareholders are positive and no profit distribution plan in cash for the ordinary shares is proposed, the Company should disclose the reasons as well as the use and intended use of the retained profits in details

Not applicable

5.1.4 Proposed profit distribution and conversion of capital reserve into share capital plan during the reporting period

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares (share)	0
Dividend amount per 10 shares (RMB) (tax inclusive)	1.68
Number of shares capitalised for every 10 shares (share)	0
Amount of cash dividends (tax inclusive)	4,143,946,329.07
Net profit attributable to ordinary shareholders of the Company as reflected in the consolidated financial statements	22,891,703,407.18
Percentage of amount of cash dividends in net profit attributable to ordinary shareholders of the Company as reflected in the consolidated financial statements (%)	18.10
Repurchase of shares for cash included in cash dividends	0
Total amount of cash dividends (tax inclusive)	4,143,946,329.07
Percentage of total amount of cash dividends in net profit attributable to ordinary shareholders of the Company as reflected in the consolidated financial statements (%)	18.10

5.1.5 Cash dividends for the latest three accounting years

Unit: Yuan Currency: RMB

Cumulative cash dividends for the last three accounting years (tax inclusive) (1)	13,745,478,178.22
Cumulative amount of repurchases and cancellation for the last three accounting years (2)	0
Cumulative amount of cash dividends and repurchases and cancellation for the last three accounting years (3)=(1)+(2)	13,745,478,178.22
Average annual net profit for the last three accounting years (4)	28,087,074,738.74
Percentage of cash dividends for the last three accounting years (%) (5)=(3)/(4)	48.94
Net profit attributable to ordinary shareholders of the Company as reflected in the consolidated financial statements for the last accounting year	22,891,703,407.18
Undistributed profit at the end of the year as reflected in the financial statements of the parent company for the last accounting year	109,322,000,001.19

5.2 Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof

As of 31 December 2022, the Incentive Scheme of the Company was implemented completely, including the initial grant of 170.7244 million restricted shares on 17 January 2022 and the grant of 11.9220 million reserved restricted shares on 2 November 2022. Among the 5 participants of the initial grant, 2 participants were transferred from the Company and ceased to take office in the Company due to organisational arrangements, 3 participants were disqualified from the Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws, non-compliance of laws, etc.. The Company repurchased and cancelled 1,379,700 restricted shares that had been granted to the above 5 participants but not yet unlocked on 28 December 2022.

On 23 February 2024, the number of restricted shares unlocked and listed under the first unlocking period under the first grant of the 2021 Restricted Share Incentive Scheme of the Company was 55,910,838 shares.

The Company completed the repurchase and cancellation of 1,566,166 restricted shares that had been granted to 7 other participants but not yet unlocked on 11 March 2024. Among the above mentioned 7 participants, 1 participant was transferred from the Company and ceased to take office in the Company due to organisational arrangements, 1 participant died, 1 participant offered to resign during the term of the labor contract, 2 participants violated laws and regulations, and 2 participants were found to be competent in the individual performance appraisal in 2022 (80% of the restricted shares was unlocked during the current period, and the remaining 20% of the restricted shares not yet unlocked was repurchased and cancelled by the Company).

On 2 December 2024, the number of restricted shares unlocked and listed under the first unlocking period under the reserved grant of the 2021 Restricted Share Incentive Scheme of the Company was 3,958,098 shares.

In addition, the Company completed the repurchase and cancellation of 7,384,576 restricted shares that had been granted to 43 participants but not yet unlocked on 25 December 2024. Among the participants under the first grant, 1 participant was transferred from the Company and ceased to take office in the Company due to organisational arrangements, 36 participants retired normally as the legal retirement age was reached and the time of retirement was more than 6 months before the selling restrictions are unlocked, 2 participants resigned from the Company during the employment contract period, 3 participants were disqualified for the Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.; among the participants under the reserved grant, 1 participant received a fair performance rating in the 2022 annual individual performance appraisal (80% of the restricted shares are unlocked in the current period, while the remaining 20% of the restricted shares would be repurchased and canceled by the Company). The Company completed the repurchase and cancellation of

1,380,123 restricted shares that had been granted to 14 other participants under the first grant but not yet unlocked on 25 December 2024. Among the above mentioned 14 participants, 1 participant became unable to hold restricted shares of the Company after becoming a management leader of the State-owned Assets Supervision and Administration Commission of the State Council, 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was more than 6 months before the selling restrictions for the second batch are unlocked, 3 participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, 6 participants retired normally as the legal retirement age was reached and the time of retirement was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, and 2 participants received a competent performance rating in the 2023 annual individual performance appraisal (80% of the restricted shares are unlocked in the current period, while the remaining 20% of the restricted shares would be repurchased and canceled by the Company).

On 13 March 2025, among the participants under the first grant of the 2021 Restricted Share Incentive Scheme of the Company, 2 participants became unable to hold restricted shares of the Company and thus were disqualified from the 2021 Restricted Share Incentive Scheme; 3 participants were disqualified from the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. Pursuant to the requirements of the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company decided to repurchase and cancel part of restricted shares under the 2021 Restricted Share Incentive Scheme. The total number of restricted shares proposed to be repurchased by the Company are 856,199 shares.

On 31 March 2025, the number of restricted shares unlocked and listed under the second unlocking period under the initial grant of the 2021 Restricted Share Incentive Scheme was 51,449,722 shares.

On 12 June 2025, among the participants under the first grant of the 2021 Restricted Share Incentive Scheme, 2 participants became unable to hold restricted shares of the Company and thus were disqualified from the 2021 Restricted Share Incentive Scheme; 3 participants were disqualified from the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. Pursuant to the requirements of the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company repurchased and canceled from the above 5 participants of 856,199 restricted shares which were granted but not yet unlocked. The total share capital of the Company was changed from 24,741,865,118 Shares to 24,741,008,919 Shares.

On 29 September 2025, in view of the fact that the performance evaluation indicators set out at the Company level for the third unlocking period of the Company's 2021 Restricted Share Incentive Scheme have not been met, in accordance with the provisions of the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, at the fifteenth meeting of the sixth session of the Board of Directors of the Company, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme was considered and approved, the Company has decided to repurchase and cancel 54,786,990 restricted shares held by 678 participants which were granted but have not met the unlocking conditions for the third unlocking period. On 24 November 2025, the Company completed the repurchase and cancellation of 54,723,290 restricted shares held by 677 participants which were granted but unlocked, 63,700 restricted shares held by the remaining 1 participant that should be repurchased and cancelled were unable to conduct repurchase and cancellation procedures due to frozen at that time, the total share capital of the Company was changed from 24,741,008,919 shares to 24,686,285,629 shares. On 19 January 2026, the Company completed the repurchase and cancellation of 63,700 restricted shares held by the remaining 1 participant which were granted but unlocked, the total share capital of the Company was changed from 24,686,285,629 shares to 24,686,221,929 shares.

On 9 January 2026, the number of restricted shares unlocked and listed under the second unlocking period under the reserved grant of the 2021 Restricted Share Incentive Scheme was 3,973,988 shares.

Purpose of the Incentive Scheme

In order to further promote the establishment and improvement of the long-term incentive mechanism of the Company, attract and retain talents, fully incentivize the senior management personnel, middle management personnel and core personnel of the Group, 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, the Incentive Scheme was formulated in accordance with the relevant requirements under the Securities Law, the Company Law, the Articles of Association and other relevant laws and regulations as well as in conjunction with the current management systems such as the remuneration system and performance appraisal system of the Company.

Participants of the Incentive Scheme

The participants include 1. senior management of the Group; 2. middle management of the Group; and 3. core key personnel of the Group.

Total number of restricted shares available for issue under the Incentive Scheme and their percentage in the total shares issued as at the date of this announcement

The number of restricted shares to be granted under the Incentive Scheme is not more than 200,000,000 A shares, of which 180,000,000 A shares are to be initially granted and 20,000,000 A shares are reserved. As at 31 December 2025, the Incentive Scheme was implemented completely. The Company granted 170,935,835 A shares under the Incentive Scheme (excluding the 67,290,054 restricted shares that were repurchased and canceled by the Company as of 31 December 2025), and the number of restricted shares issued accounting for approximately 0.51% of the total A share capital and 0.42% of the total share capital of the Company as of the date of this announcement.

Cap of restricted shares available for grant to each participant in the Incentive Scheme

The total number of the Company's restricted shares granted under the Incentive Scheme to any of the participants shall not exceed 1% of the total A share capital of the Company at the time when the Incentive Scheme was submitted for approval at the general meetings. The value of the entitlements granted to senior management shall be determined at no more than 40% of the total remuneration level (including the value of interests granted) at the time of grant, and the value of the interests granted to other participants such as the core members in management, technology and business shall be determined reasonably by the Board.

The period within which the option may be exercised by the participants under the Incentive Scheme

No option which may be exercised was granted under the Incentive Scheme.

Vesting period and lock-up period of restricted shares granted under the incentive scheme

The restricted shares granted under the Incentive Scheme do not have any vesting period per as they were all vested with the participants at the same time as they were granted. The restricted shares have lock-up period. Lock-up period of the restricted shares granted under the Incentive Scheme shall be 24 months, 36 months and 48 months from the relevant completion date of registration of the restricted shares under the corresponding grant. After the expiry of each of the three unlocking periods, 1/3 of the restricted shares granted under the first grant and the grant of the reserved shares will be unlocked. The restricted shares granted to the incentive recipients under the Incentive Scheme shall not be transferred, used for guarantee or debt repayment until the sales restrictions are released.

Amount (if any) payable for the acceptance of restricted shares and the term for payment or notification of payment

The amount payable for the acceptance of restricted shares is the grant price multiplied by the number of restricted shares granted. As of 31 December 2025, the total grant price was RMB605,330,497.29 (excluding the 67,290,054 restricted shares that were repurchased and canceled by the Company as of 31 December 2025). The participants of the restricted shares of the first grant remitted the payment into the Company's fund-raising special account before the payment deadline of 28 January 2022, and the participants of the grant of the reserved restricted shares remitted the payment into the Company's fund-raising special account before the payment deadline of 16 November 2022.

Basis of determining the grant price

The grant price of the restricted shares 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 underlying A shares of the Company on the last trading day immediately preceding the date of the relevant announcement of the first grant (the total transaction value for the last trading day/total volume of the shares of the Company traded for the last trading day); or 2. any of the average trading price of the underlying A shares of the Company for the last 20 trading days, 60 trading days and 120 trading days immediately preceding the date of the relevant announcement.

The grant of the restricted shares under the reserved grant is subject to the consideration and passing of related resolutions by the Board and the disclosure of related information. The grant price of the restricted shares under the reserved 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 immediately preceding the date of the announcement of Board resolutions on the reserved grant; 2. any of the average trading price of the A shares for the last 20 trading days, 60 trading days or 120 trading days immediately preceding the date of the announcement of Board resolutions on the reserved grant.

The remaining life of the Incentive Scheme

The term of the 2021 Restricted Share Incentive Scheme commenced from the completion date of registration of the restricted shares under the first grant and will end on the date when all the restricted shares granted to the participants have been unlocked or repurchased and cancelled, the maximum period of which shall not exceed 72 months. Therefore, the validity period of the 2021 Restricted Share Incentive Scheme is from 23 February 2022 (the date when the registration of the restricted shares of the first grant was completed) to 30 November 2026 (the date when all reserved restricted shares are unlocked).

5.3 Performance Status of Undertakings

5.3.1 Undertakings made by undertaking parties, including the ultimate controller, shareholders, related parties, acquirers of the Company and the Company given or subsisting in the reporting period

Undertaking background	Type of undertaking	Undertaking party	Content of the undertaking	Timing and duration of undertaking	Whether there is a deadline for performance	Whether duly complied	If not duly complied, describe the specific reasons	If not duly complied, describe future plans
IPO-related undertakings	Non-competition	CREC	Upon the establishment of China Railway in accordance with the law, CREC and its subsidiaries (other than China Railway) will not in any form, directly or indirectly, engage in or participate in or assist in the engagement or participation in any business that competes, or is likely to compete with the core businesses of China Railway and its subsidiaries. If CREC or its subsidiaries (other than China Railway) become(s) aware of any new business opportunity which directly or indirectly competes, or is likely to compete, with the core businesses of China Railway, it shall notify China Railway in writing of such business opportunity immediately upon becoming aware of it, and undertakes that priority and a preemptive right of first refusal in respect of the business opportunity shall be available to China Railway or its subsidiaries. If CREC or any of its subsidiaries intends to transfer, sell, lease or license or otherwise assign to any third parties or permit them any new business opportunity, assets or interests that it may acquire in future and which may compete or is likely to compete, directly or indirectly, with the core businesses of China Railway, CREC warrants that such business opportunity, assets or interests will first be offered to China Railway or its subsidiaries.	None	No	Yes	/	/

Undertaking background	Type of undertaking	Undertaking party	Content of the undertaking	Timing and duration of undertaking	Whether there is a deadline for performance	Whether duly complied	If not duly complied, describe the specific reasons	If not duly complied, describe future plans
Undertakings related to refinancing	Other undertakings	CREC	If China Railway is subject to administrative penalties or currently under formal investigation due to any undisclosed violation of laws and regulations in respect of the delay in developing acquired land, land speculation, hoarding of properties and driving up of property prices by price-rigging, which cause losses to China Railway and its investors, CREC shall bear the liability for compensation according to the requirements of the relevant laws and administrative regulations and as required by the securities regulatory authorities.	Long term	No	Yes	/	/

Note 1: For details of the relevant undertakings made by the Company and CREC during the material asset restructuring of China Railway Erju Co., Ltd. (renamed as China Railway Hi-Tech Industry Co., Ltd. in March 2017, stock code: 600528.SH), a subsidiary of the Company, please refer to the Report on the Material Asset Swap and Share Issuance for Asset Acquisition, Fundraising and Related Party Transaction of China Railway Erju Co., Ltd. (Revision) disclosed on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 21 September 2016. The Company and CREC are currently duly complying with all the undertakings.

Note 2: The Company issued the Letter of CREC on Changing Undertakings on Certain Contingencies on 25 November 2020, pursuant to which, the performance term of the original undertaking in relation to apply for ownership certificates for defective real estate was changed to long-term undertaking. The Letter was considered and approved by the 2020 first extraordinary general meeting of China Railway Hi-tech Industry Corporation Limited (CRHIC) on 25 December 2020. For details, please refer to the Announcement of CRHIC on Changing the Performance Term of Undertakings on Certain Contingencies by the Controlling Shareholder of the Company disclosed at the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 8 December 2020. The Company is currently duly complying with the relevant undertaking.

Note 3: For details of the relevant undertakings made by the Company and CREC during the share issuance for asset acquisition, please refer to the Report on the Share Issuance for Asset Acquisition of China Railway Group Limited (Revision) published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 31 May 2019. The Company and CREC are currently duly complying with all the undertakings.

Note 4: In the course of acquiring the control over China Railway Prefabricated Construction, the Company and CREC issued the Letter of Undertaking to Avoid Horizontal Competition with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., Letter of Undertaking to Regulate Related Party Transactions with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., and Letter of Undertaking to Safeguard the Independence of Beijing Hengtong Innovation Luxwood Technology Co., Ltd. Respectively. The above undertakings are continuously effective during the period in which the Company has control over Beijing Hengtong Innovation Luxwood Technology Co., Ltd. The Company and CREC are currently duly complying with the undertakings.

Note 5: In the course of spinning off CRHEEC to go listing on the STAR Market, the Company and CREC issued the Letter of Undertaking to Avoid Horizontal Competition, Letter of Undertaking to Reduce and Regulate Related Party Transactions, Letter of Undertaking to Make up for Diluted Immediate Returns, and other letters of undertakings. For details, please refer to the Plan for China Railway Group Limited on the Spin-off of Its Subsidiary China Railway High-speed Electrification Equipment Corporation Limited to Go Listing on the STAR Market (Revision) disclosed on the website of the Shanghai Stock Exchange on 30 September 2020. The Company and CREC are currently duly complying with all the undertakings.

5.3.2 If the Company has made a profit forecast to its assets or projects, and the profit estimate period is within the reporting period, the Company's explanation on whether its assets or projects would meet its profit forecast and the reasons thereof

Not applicable

5.3.3 Fulfillment of undertakings and its impact on goodwill impairment test

Not applicable

5.4 Non-operating Appropriation of Funds by the Controlling Shareholder and Other Related Parties during the reporting period

Not applicable

5.5 Illegal Guarantee

Not applicable

5.6 Explanation of the Company on the “Modified Audit Report” from Auditors

Not applicable

5.7. Analysis and Explanation of the Company on the Reasons for and Impacts of the Changes in Accounting Policies or Accounting Estimates or Correction of Material Accounting Errors

5.7.1 Analysis and explanation of the Company on the reasons for and impacts of the changes in accounting policies or accounting estimates

Not applicable

5.7.2 Analysis and explanation of the Company on the reasons for and impacts of the correction of material accounting errors

Not applicable

5.7.3 Communications with former auditors

Not applicable

5.7.4 Others

Not applicable

5.8. Appointment and Removal of Auditors

Unit: '0,000 Currency: RMB

Current engagement

Name of domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic accounting firm	2,180
Term of domestic accounting firm	2 years
Names of the certified public accountants of the domestic accounting firm	Ma Yanmei, Yin Lili
The continuous period providing audit services by the certified public accountants of the domestic accounting firm	Ma Yanmei (2 years) Yin Lili (2 years)
Name of international accounting firm	Deloitte Touche Tohmatsu
Remuneration of international accounting firm	160
Term of international accounting firm	2 years

	Name	Remuneration
Accounting firm for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	160
Financial advisor	/	/
Sponsor	/	/

Explanation on the appointment and removal of auditors

Resolution on the Appointment of Auditors for the Financial Statements and Internal Control of China Railway Group Limited for 2025 was considered and passed at the the 9th meeting of the sixth session of the Board of Directors of the Company held on 28 March 2025. For details of the appointment of auditors, please see the Announcement of China Railway Group Limited on the Re-appointment of Auditors published on the website of the Shanghai Stock Exchange on 29 March 2025. These resolutions were then considered and passed at the 2024 annual general meeting of the Company on 20 June 2025. It was approved that Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu be engaged as the Company's domestic and overseas financial statement auditors for the year 2025, respectively and Deloitte Touche Tohmatsu Certified Public Accountants LLP be engaged as the internal control auditor for 2025. The term of each engagement shall start from the date of adoption of the resolution at the 2024 annual general meeting until the date of the resolution at the next annual general meeting. For details, please refer to the Announcement of the Resolutions of the 2024 Annual General Meeting, the First Class A Shareholders' Class Meeting 2025 and the First Class H Shareholders' Class Meeting 2025 of China Railway Group Limited disclosed by the Company on the website of the Shanghai Stock Exchange on 21 June 2025.

5.9 Risk of Suspension of Listing

5.9.1 Reason for Suspension of Listing

Not applicable

5.9.2 Response Measures to be Adopted by the Company

Not applicable

5.9.3 Delisting and the Reasons Thereof

Not applicable

5.10 Matters Relating to Insolvency or Restructuring

Not applicable

5.11 Material Litigation and Arbitration

The Company had no material litigation or arbitration during the year.

5.12 Penalty and Rectification Order against the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders, Ultimate Controller and Acquirer

Not applicable

5.13 Integrity of the Company and its Controlling Shareholders and Ultimate Controllers during the reporting period

During the reporting period, the Company and its controlling shareholder and ultimate controller operated legally by strictly following the provisions of the laws and regulations and normative documents, such as the Company Law and the Securities Law, and duly fulfilled all the undertakings without committing any default.

5.14 Significant Related Party Transactions

5.14.1 Related party transactions in ordinary course of business

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

(3) *Matters undisclosed in announcement*

Unit: '000 Currency: RMB

Related party	Related relationship	Type of related party transaction	Particulars of related party transaction	Pricing method of related party transaction	Price of related party transaction	Amount of related party transaction	Percentage of transaction value to the same type of transactions
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of parent company	Leasing services	Lease of office premises, etc.	Contract price	23,888	23,888	Less than 1%
China Railway State Assets Management Co., Ltd. and Party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiary of parent company	Receipt of labor services	Receipt of comprehensive services	Contract price	85,217	85,217	Less than 1%
Total					<u>109,105</u>	<u>109,105</u>	

Description of related party transactions

The above two transactions resulted from the implementation during the reporting period of the Premises Leasing Agreement and Comprehensive Services Agreement renewed by the Company and CREC on 30 December 2024. The terms of both agreements are three years. The total transaction amount involved was within the decision-making authority of the Board and was considered and approved at the 6th meeting of the sixth session of the Board, which complied with the relevant requirements of The Rules Governing the Listing of Stock on Shanghai Stock Exchange. Meanwhile, the Premises Leasing Agreement and the Comprehensive Services Agreement were exempted from the requirements of reporting, annual review, announcement and independent shareholders' approval as the annual caps of such transactions were within the de minimis exemption under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

5.14.2 Related party transactions in relation to acquisition and disposal of assets

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

- (3) *Matters undisclosed in announcement*

Not applicable

- (4) *If agreement upon performance is involved, the performance achievements during the reporting period shall be disclosed*

Not applicable

5.14.3 Significant related party transactions in relation to joint external investment

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

- (3) *Matters undisclosed in announcement*

Not applicable

5.14.4 Amounts due from/to related parties

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

- (3) *Matters undisclosed in announcement*

Not applicable

5.14.5 The financial business between the Company and its related financial company, and between the financial company held by the Company and its related parties

China Railway Finance Co., Ltd. provides financial services to the Company's controlling shareholder, CREC and its subsidiaries, which enables the Company to use part of its financing funds to improve the efficiency of capital utilization and increase the benefits through the net interest and service fees earned by China Railway Finance Co., Ltd. The Proposal on the Related Party Transactions of Financial Services Framework Agreement between China Railway Finance Co., Ltd. and China Railway Engineering Group Co., Ltd. was considered and adopted at the 12th meeting of the fifth session of the Board convened by the Company on 22 December 2024, in which it was agreed that China Railway Finance Co., Ltd., a majority-owned subsidiary of the Company, would renew the Financial Services Framework Agreement (the agreement will be expired on 31 December 2027) with CREC, the controlling shareholder of the Company, and provide deposits, loans and other financial services to CREC and its subsidiaries pursuant to the agreement. For details, please refer to the relevant announcement of the Company dated 30 December 2024 disclosed on the website of the Shanghai Stock Exchange. During the reporting period, the daily deposit balance (including interest accrued) of CREC and its subsidiaries with China Railway Finance Co., Ltd. did not exceed the maximum amount stipulated in the Financial Services Framework Agreement; the maximum daily loan balance (including interest accrued) obtained by CREC and its subsidiaries from China Railway Finance Co., Ltd. did not exceed the maximum amount stipulated in the Financial Services Framework Agreement; and the service fee collected by China Railway Finance Co., Ltd. from CREC and its subsidiaries for other financial services did not exceed the maximum amount stipulated in the Financial Services Framework Agreement.

(1) *Deposit business*

Unit: '000 Currency: RMB

Related party	Related relationship	Maximum daily deposit limit	Range of deposit interest rate	Opening balance	Amount for the current period		Closing balance
					Total deposits for the current period	Total withdrawals for the current period	
CREC	Parent company		1.00%-1.265%	164,459	10,744,023	9,511,742	1,396,740
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiaries of the parent company	20,000,000	1.00%-1.265%	44,127	1,641,850	1,598,401	87,576
Party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiaries of the parent company		1.00%-1.265%	25,640	61,686	79,263	8,063
Total				<u>234,226</u>	<u>12,447,559</u>	<u>11,189,406</u>	<u>1,492,379</u>

(2) *Loan business*

Unit: '000 Currency: RMB

Related party	Related relationship	Line of credit	Range of loan interest rate	Opening balance	Amount for the current period		Closing balance
					Total loans for the current period	Total repayments for the current period	
CREC	Parent company	3,500,000	2.11%-2.60%	<u>2,100,000</u>	<u>1,680,954</u>	<u>2,100,000</u>	<u>1,680,954</u>

(3) *Credit business or other financial business*

Unit: '000 Currency: RMB

Related party	Related relationship	Business type	Total	Amount incurred
CREC	Parent company	Comprehensive credit granting	3,500,000	1,680,954
CREC	Parent company	Other financial services	80,000	47
Total			<u>3,580,000</u>	<u>1,681,001</u>

(4) *Others*

Unit: '000 Currency: RMB

Item	Related party	Amount for the current period	Amount of the corresponding period last year
Interest income	CREC	44,308	14,755
Interest expense	CREC	15,750	13,681
Interest expense	China Railway State Assets Management Co., Ltd.	683	422
Interest expense	Party school of China Railway Engineering Group Co., Ltd.	404	674

Note: The interest income represents the interest receivable by China Railway Finance Co., Ltd., a majority-owned subsidiary of the Company, from CREC for the loans to CREC. The interest expenses represent the interest payable by China Railway Finance Co., Ltd. to CREC and China Railway State Assets Management Co., Ltd. and party school of China Railway Engineering Group Co., Ltd. for deposit-taking.

5.14.6 Others

Related party guarantees

Unit: '000 Currency: RMB

Guarantor	Secured party	Guarantee amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
CREC	China Railway	3,500,000	October 2010	April 2026	No

Note: These guarantees are unconditional and irrevocable joint and several liability guarantees provided by CREC for the entire amount of the 15-year 2010 Corporate Bonds (Tranche 2) issued by the Company in October 2010. In accordance with the agreement on the guarantee period in the “Prospectus for Public Offering of Corporate Bonds” of the Company, the guarantor shall assume the guarantee liability during the period from the first day of issuance of the bonds to six months after the maturity date of the bonds. As of 31 December 2025, the guarantee liability undertaken by CREC as the guarantor of the 15-year 2010 Corporate Bonds (Tranche 2) of the Company has not expired. As at 31 December 2025, the above-mentioned bonds were fully repaid (31 December 2024: RMB3,529,629 thousand).

5.15 Material Contracts and Their Performance

5.15.1 Trusteeship, Contracting and Leasing

(1) *Trusteeship*

Not applicable

(2) *Contracting*

Not applicable

(3) *Leasing*

Not applicable

5.15.2 Guarantees

Unit: '0,000 Currency: RMB

Guarantees provided by the Company (excluding the guarantees to subsidiaries)

Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Date of guarantee agreement	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue amount	Counter guarantee available	Whether the guarantee is provided to related party	Related relationship
China Railway No. 4 Engineering Group Co., Ltd	Wholly-owned subsidiary	Xuzhou Yingbin Expressway Construction Co., Ltd.	119,000.00	2018/10/22	2018/10/30	2028/10/29	Joint and several liability guarantee	Normal performance	Equity pledge	No	0.00	None	No	/
China Railway No. 5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Qinghai Minmetals China Railway Expressway Construction Management Co., Ltd.	14,850.00	2020/1/14	2020/1/14	2045/12/30	Joint and several liability guarantee	Normal performance	Equity pledge	No	0.00	None	No	/
China Railway No. 5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Jiangxi Chengke Yunchuang Real Estate Co., Ltd.	2,446.89	2021/9/22	2021/9/22	2029/9/21	Joint and several liability guarantee	Normal performance	No	No	0.00	None	No	/
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Shantou Niutianyang Expressway Investment Development Co., Ltd.	9,024.22	2019/11/14	2019/11/14	2039/8/23	Joint and several liability guarantee	Normal performance	Equity pledge	No	0.00	None	No	/

Guarantees provided by the Company (excluding the guarantees to subsidiaries)

Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Date of guarantee agreement	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue amount	Counter guarantee available	Whether the guarantee is provided to related party	Related relationship
China Railway International Group Co., Ltd.	Wholly-owned subsidiary	MontagProp Proprietary Limited	6,189.00	2015/7/10	2015/7/10	2030/7/10	Joint and several liability guarantee	Normal performance	No	No	0.00	None	No	/
China Railway South Investment Group Co., Ltd.	Wholly-owned subsidiary	Shantou Niutianyang Expressway Investment Development Co., Ltd.	405,187.50	2019/11/14	2019/11/14	2039/8/23	Joint and several liability guarantee	Normal performance	Equity pledge	No	0.00	None	No	/
China Railway Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Shanghai Huaxie Real Estate Development Co., Ltd.	1,776.74	2025/4/29	2025/4/29	2026/4/30	Joint and several liability guarantee	Normal performance	No	No	0.00	None	No	/

Total amount of guarantees incurred during the reporting period (excluding the guarantees provided to subsidiaries)	-91,636.60
Total balance of guarantee as at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)	558,474.35
Guarantees provided by the Company to its subsidiaries	
Total amount of guarantees provided to subsidiaries during the reporting period	-3,558,245.65
Total balance of guarantee provided to subsidiaries as at the end of the reporting period (B)	6,116,971.98
Total guarantees provided by the Company (including guarantees to its subsidiaries)	
Total amount of guarantees (A+B)	6,675,446.33
Total amount of guarantees as a percentage of net assets of the Company (%)	12.35%
Of which:	
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)	0.00
Amount of debt guarantees directly or indirectly provided to the secured parties with the gearing ratio exceeding 70% (D)	5,592,616.73
Excess amount of aggregate guarantee over 50% of net assets (E)	0.00
Total amount of the above three types of guarantees (C+D+E)	5,592,616.73
Statement on the contingent joint and several liability in connection with unexpired guarantee	Not applicable
Explanations on guarantees	<ol style="list-style-type: none"> 1. The aggregate guarantee included the commitment to make up the difference of RMB20,315.8763 million provided to its subsidiaries. 2. As of 31 December 2025, the aggregate guarantee of China Railway Group Limited (consolidated) in relation to real estate mortgage was RMB 16,790.8928 million.

5.15.3 Management of Cash Assets Entrusted to Third Parties

(1) *Entrusted wealth management*

(i) Overview of entrusted wealth management

Not applicable

(ii) Breakdown of entrusted wealth management

Not applicable

(iii) Provision for impairment of entrusted wealth management

Not applicable

(2) *Entrusted loans*

(i) Overview of entrusted loans

Unit: '0,000 Currency: RMB

Type	Source of funds	Amount incurred	Unexpired balance	Overdue outstanding amount
Entrusted loans	Self-owned funds	<u>263,971.06</u>	<u>113,964.24</u>	<u>0</u>

(ii) Breakdown of entrusted loans

Unit: '0,000 Currency: RMB

Trustee	Type of entrusted loans	Entrusted loan amount	Commencement date of entrusted loans	Termination date of entrusted loans	Source of funds	Target of funds	Determination of returns	Annualized yield rate (%)	Expected gains (if any)	Actual gain or loss for the year	Actual recovery for the year	Going through legal procedures or not	Whether there will be any entrusted loan plan in the future	Amount of impairment provision (if any)
Beijingxi Railway Station Branch, ICBC	Entrusted loans	113,964.24	2021/4/1	2041/12/30	Self-owned funds	Inner Mongolia Jitong Railway (Group) Co., Ltd.	By agreement	2.35	60,526.91	16,502.29	10,035.76	Yes	No	3,808.97
China Railway Finance Co., Ltd.	Entrusted loans	0.00	2023/3/9	2025/12/3	Self-owned funds	Payment of principal and interest by Cenxi-Cangwu Expressway	By agreement	4.75	0.00	180.83	4,323.53	Yes	No	0.00
China Railway Finance Co., Ltd.	Entrusted loans	0.00	2023/3/9	2025/6/30	Self-owned funds	Payment of principal and interest by Pingyu-Zhengyang Expressway	By agreement	4.75	0.00	495.68	20,849.02	Yes	No	0.00
China Railway Finance Co., Ltd.	Entrusted loans	0.00	2023/3/9	2025/7/22	Self-owned funds	Payment of principal and interest by Mianyang-Suining Expressway	By agreement	4.75	0.00	1,617.52	64,372.55	Yes	No	0.00
China Railway Finance Co., Ltd.	Entrusted loans	0.00	2023/3/9	2025/9/30	Self-owned funds	Payment by Guangxi Expressway for the acquisition of YulinShenmu Expressway	By agreement	4.75	0.00	659.96	19,350.00	Yes	No	0.00
China Railway Finance Co., Ltd.	Entrusted loans	0.00	2023/3/9	2025/9/30	Self-owned funds	Gap of capital dividends from Guangxi Expressway	By agreement	5.225	0.00	5,441.48	145,040.2	Yes	No	0.00

(iii) Provision of impairment of entrusted loans

Not applicable

5.16 Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors

5.16.1 Material Contracts Signed During the Reporting Period

(1) Engineering construction business

No.	Signatory	Name of contract	Date of winning the bidding/ contract signing date	Contract sum (RMB'0,000)	Construction period
Railways					
1	China Railway No. 1 Engineering, China Railway No. 3 Engineering, China Railway No. 4 Engineering, China Railway No. 5 Engineering, China Railway Major Bridge Engineering, China Railway Tunnel, China Railway Shanghai Engineering	Sections YFHBZQ-2, YFHBZQ-3, YFHBZQ-6, YFHBZQ-8, YFHBZQ-10, YFHBZQ-11 and YFHBZQ-13 for the construction of the civil engineering and auxiliary projects of the newly built Yichang-Fuling High-speed Railway (Hubei section)	2025.02	2,470,898	2,192 calendar days
2	China Railway No. 2 Engineering, China Railway Consulting	General contracting for the design and construction of electrified standard gauge railway (SGR) of the second phase of the Tanzania/Burundi/Democratic Republic of the Congo Standard Gauge Joint Railway Project (Tanzania/Burundi section)	2025.01	1,822,445	80 months
3	China Railway No. 1 Engineering, China Railway No. 2 Engineering, China Railway No. 3 Engineering, China Railway No. 8 Engineering, China Railway Tunnel	Sections CGJXZQ-1, CGJXZQ-3, CGJXZQ-5, CGJXZQ-6 and CGJXZQ-9 of the tender for lump-sum construction contract of the newly built Changsha-Ganzhou High-speed Railway (Jiangxi section)	2025.09	1,727,093	1,826 calendar days

No.	Signatory	Name of contract	Date of winning the bidding/ contract signing date	Contract sum (RMB'0,000)	Construction period
Highway					
1	China Railway No. 1 Engineering, China Railway No. 4 Engineering, China Railway No. 7 Engineering,	Sections TJ2, TJ4 and TJ5 for the civil engineering construction of the Chengdu-Wenjiang-Qionglai Highway Expansion Project	2025.06	243,883	30 months
2	China Railway Tunnel and other parties	Section TJ3 for the construction of the Ningbo Qijiashan to Zhoushan Jintang section of G92 Hangzhou Bay Area Ring Expressway (Ningbo Qijiashan to Zhoushan Jintang section of the Ningbo-Zhoushan Expressway Duplex Line)	2025.09	204,651	1,672 calendar days
3	China Railway No. 1 Engineering	Section TJ09 of the Hangzhou Central Ring Road to Zhejiang-Jiangxi Border Project (Hangzhou section) of G2531 Hangzhou-Shangrao Expressway (Hangzhou-Chun'an-Kaihua Expressway)	2025.09	163,046	36 months
Municipal works					
1	China Railway No. 4 Engineering, China Railway Tunnel	Section 1 of the Anhui G4001 Connection Line Project	2025.11	316,625	1,460 calendar days
2	China Railway Construction	General contracting for the construction of Terminal Area and GTC Ancillary Works of Kunming Changshui International Airport Reconstruction and Expansion Project – the landside comprehensive transportation center and ancillary works (section 2)	2025.03	173,605	1,550 calendar days
3	China Railway Tunnel	Construction of the Jinsha Tunnel in Shunde District, Foshan City	2025.01	135,608	1,643 calendar days

No.	Signatory	Name of contract	Date of winning the bidding/ contract signing date	Contract sum (RMB'0,000)	Construction period
Urban rails					
1	China Railway No. 2 Engineering, China Railway No. 6 Engineering, China Railway Tunnel	Contracting sections No. 01, 06 and 07 for the civil construction of Beijing Rail Transit Line 19 Phase II Project (North Extension and North Extension Branch)	2025.09	206,393	1,488 calendar days
2	China Railway Electrification Engineering	Section C18 for general contracting for construction and installation of four systems integration (all-line traction substations, overhead contact system, ring network, interval evacuation platforms, interval ventilation, water and electricity, communication, signal, automatic fare collection, platform doors) of Shanghai Rail Transit Urban Line Chongming Line Project	2025.06	165,443	550 calendar days
3	China Railway No. 1 Engineering	Section D.S05.X-TA12 for the construction of the cross-river section shield tunnel civil engineering of the Nanjing-Yizheng Line (including Yangzhou Extension Line) Urban (Suburban) Railway Phase I Project	2025.02	134,732	1,281 days

(2) *Design and consulting business*

No.	Signatory	Name of project	Contract signing date	Contract sum (RMB'0,000)	Contract performance period
1	China Railway Consulting	Survey and design of the Zhejiang-Fujian provincial boundary to Ningde Station (inclusive) section of the newly built Wenzhou-Fuzhou High-speed Railway	2025.10	30,527	Until completion and acceptance
2	China Railway Major Bridge Engineering	Survey and design of section EHDSSJ-1 of the Ezhou-Huanggang Yangtze River Crossing Project	2025.06	18,000	420 calendar days
3	China Railway Consulting	Survey and design of the Yining-Aksu Railway	2025.12	17,778	Until completion and acceptance

(3) *Equipment manufacturing business*

No.	Signatory	Owner	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period (months)
Steel structures						
1	China Railway Baoji Bridge	Guangdong Bay Area Transportation Construction Investment Co., Ltd. (廣東灣區交通建設投資有限公司)	Section G10 for steel truss girder manufacturing of the main bridge section of the Shiziyang Channel	2025.09	125,804	36 months
2	China Railway Shanhaiguan Bridge	Jiangsu Provincial Transportation Engineering Construction Bureau, Jiangsu Communications Holding Co., Ltd.	Steel beam construction for section ZJG-A11 of the Zhangjingao Yangtze River Bridge Construction and Equity Investment Project	2025.04	56,499	24 months
3	China Railway Jiujiang Bridge Engineering	Jiangsu Provincial Transportation Engineering Construction Bureau, Jiangsu Communications Holding Co., Ltd.	Section ZJG-A13 of the Zhangjingao Yangtze River Bridge Construction and Equity Investment Project	2025.04	37,330	24 months

No.	Signatory	Owner	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period (months)
Turnout						
1	China Railway Shanhaiguan Bridge	Chengdu Construction Command of China Railway Chengdu Group Co., Ltd.	High-speed turnouts for the Tianfu to Chaoyanghu section of the Sichuan-Tibet Railway Introducing into Chengdu Hub	2025.07	8,599	12 months
2	China Railway Shanhaiguan Bridge	Yinchuan Engineering Construction Command of China Railway Lanzhou Group Co., Ltd.	Ningxia section of the Baoji-Zhongwei Railway Capacity Expansion and Reconstruction Project	2025.08	8,075	As required by Party A
3	China Railway Shanhaiguan Bridge	Chinese New Turnout Technology Co.,Ltd. (新鐵德奧道岔有限公司)	High-speed turnout procurement contract	2025.04	4,942	12 months

Engineering machinery (including track equipment and shields)

1	China Railway Science & Industry	Haikou Yongli Import and Export Co., Ltd. (海口永利進出口有限公司)	1C2025-09 – 900t Procurement Contract for Transport, Erection, Handling and Lifting	2025.09	70,500	6 months
2	China Railway Engineering Equipment	Sichuan Road & Bridge (Group) Co., Ltd.	Shield Machine Sales Contract	2025.10	26,307	As required by Party A
3	China Railway Engineering Equipment	Urban Rail Transit Engineering Branch Co., Ltd. of China Railway No. 4 Engineering Group Co., Ltd.	Sales of China Railway No. 1659 shield machine for the Dongpu Reservoir Project in Hefei City, Anhui Province	2025.12	24,600	As required by Party A

(4) Property development business

No.	Name of project	Location	Project type	Planned area (0'000 square meters)
1	Residential plot in Wan'an Subdistrict, Tianfu New Area, Chengdu	Chengdu	Secondary development	14.73
2	Plot 29, Zhufang 4th Street, Haidian District, Beijing	Beijing	Secondary development	10.26
3	Shanghai Yangpu District Block 89 Heritage Conservation Project	Shanghai	Urban renewal	1.90

(5) *Assets operation business*

(i) **Material infrastructure investment projects signed during the reporting period**

No.	Name of contract	Signatory	Contract sum (RMB '00 million)	Shareholding of the project company	Construction period	Operation period	Signing date
1	Concession agreement for the concession projects of new construction of Xin'gan to Ruichang (Jiangxi-Hubei border) section of the G7021 Ningde-Wuhan Expressway and new construction of the Xin'gan-Xingguo Expressway	China Railway Communications Investment Group Co., Ltd. and other parties	518.54	China Railway Communication holds 45.49%, China Railway No. 1 Engineering holds 0.5%, China Railway No. 2 Engineering holds 0.5%, China Railway No. 3 Engineering holds 0.5%, The Fourth Engineering of China Railway No. 4 Engineering holds 0.5%, China Railway No. 5 Engineering holds 0.5%, China Railway No. 6 Engineering holds 0.5%, China Railway No. 7 Engineering holds 0.5%, China Railway No. 8 Engineering holds 0.5%, China Railway Tunnel holds 0.5%, China Railway Major Bridge Engineering holds 0.5%, China Railway Beijing Engineering holds 0.5%, China Railway Consulting holds 0.01%, CCCC Investment Company Limited holds 44.79%, CCCC Investment Nanjing Co., Ltd. holds 0.1%, China First Highway Engineering Co., Ltd. holds 2%, CCCC Second Highway Engineering Co., Ltd. holds 1%, CCCC Third Highway Engineering Second Engineering Co., Ltd. holds 0.1%, Road & Bridge International Co., Ltd. holds 1% and CCCC Second Harbor Consultants Co., Ltd. holds 0.01%	Xin'gan- Ruichang Expressway: 4.25 years Xin'gan-Xingguo Expressway: 3.25 years	Xin'gan- Ruichang Expressway: 29.67 years + 5.75 years Xin'gan-Xingguo Expressway: 29.67 years + 6.75 years	17 November 2025

No.	Name of contract	Signatory	Contract sum (RMB '00 million)	Shareholding of the project company	Construction period	Operation period	Signing date
2	Engineering project of Xinjin to Emeishan section of the Chengdu-Emeishan Expressway	China Railway City Investment and Development Group and other parties	188.21	China Railway City Investment and Development Group holds 51%, Chengdu Communication Investment Group Co., Ltd. holds 36%, and Chengdu Construction Engineering Group Co., Ltd. holds 13%	3	29.82	28 February 2025
3	Bundle Project of Lidu to Xinniao Section Engineering of the Chongqing Fuling Ring Expressway and Fuling North Ring Section of the G5021 Shizhu-Chongqing Expressway	China Railway Tunnel Group Co., Ltd. and other parties	139.53	China Railway Communications holds 0.04%, China Railway Major Bridge Engineering holds 0.18%, China Railway Changjiang Design holds 0.12%, China Railway Tunnel holds 65.19%, Anhui Construction Engineering Co., Ltd. holds 7.43%, and Fuling district government holds 27.04%	4.5	30	22 May 2025

(ii) Material infrastructure investment projects operated during the reporting period

No.	Name of contract	Signatory	Contract sum (RMB '00 million)	Signing date	Operation period (years)	Time of entering the operation period
1	PPP project of the G59 Hohhot-Beihai Expressway Luhongshan (Hunan-Hubei border) to Cili section and the G5515 Zhangjiajie-Nanchong Expressway Sangzhi to Longshan section	China Railway Group Limited and other parties	256.7	2021-01	30	September 2025
2	PPP project of the western section of Yibin Urban Ring Expressway and the Yibin-Yiliang Expressway (Sichuan section)	China Railway Group Limited and other parties	205.4	2018-11	30	August 2022
3	PPP project of the Leshan-Xichang Expressway (Leshan to Mabian section)	China Railway Group Limited and other parties	164.8	2020-01	30	February 2025

(6) *Emerging business*

No.	Signatory	Name of project	Signing date	Contract sum (RMB'0,000)	Contract performance period
1	China Railway Major Bridge Engineering	EPC general contracting of Three Gorges Energy Fujian Putian Pinghai Bay 400MW Offshore Wind Farm DE Zone Project	2025.01	173,969	546 calendar days
2	China Railway No. 1 Engineering	Procurement and installation of electromechanical equipment and construction engineering for the Zhejiang Jiangshan Pumped Storage Power Station Project	2025.10	173,800	991 calendar days
3	China Railway Construction	General contracting for the construction of Terminal Area and GTC Ancillary Works of Kunming Changshui International Airport Reconstruction and Expansion Project – the landside comprehensive transportation center and ancillary works (section 2)	2025.03	173,605	1,550 calendar days

5.16.2 Particulars of Material Properties

(1) Property held for development

Unit: 0'000 square meters

Name of building or project	Address	Current land use	Land area	Floor area	State of completion	Expected completion date	Interests of the Company and its subsidiaries
Yunjing Bund	Block 97, Daqiao Subdistrict, Yangpu District, Shanghai City	Urban residential land	1.65	6.32	Under construction	December 2027	85%
Guangzhou Dalang Passenger Train Depot Over-track Co-ownership Housing	East Shijing Avenue, Baiyun District, Guangzhou City	Urban residential land	16.03	34.36	Under construction	December 2027	96%
Yunxiu Bund	Block 89, Daqiao Subdistrict, Yangpu District, Shanghai City	Urban residential land	1.36	4.39	Under construction	December 2027	100%
China Railway Zhuo Cui	Hejing 4th Street, Wan'an Subdistrict, Chengdu City	Urban residential land	7.37	25.15	Under construction	July 2028	100%
Xiong'an Science and Technology Innovation Center	Zhengxue Street, Anxin County, Xiong'an New District	Residential land Comprehensive land for commercial services Industrial land	20.4	41.97	Under construction	December 2026	100%

(2) *Property held for investment*

Unit: 0'000 square meters

Name	Location	Use	Tenure	Interests of the Company and its subsidiaries
China Railway Headquarters Base (Shunyi) Park	Courtyard No. 2, Zhengyuan Street, Shunyi District, Beijing	Commercial	July 2061	100%
Beijing Nuode Center Phase III	Courtyards No. 1 and No. 4, Yuren South Road, Fengtai District, Beijing	Commercial	November 2064	100%
Tianjin Nuode Center Phase II	No. 50 Lvwei Road, Hebei District, Tianjin City	Commercial	January 2054	100%
Shops on 1-8/F, Zone E1, Guiyang Huaguoyuan	Buildings 1 and 2, Block E1, Pengjiawan Dilapidated Housing and Shantytown Reconstruction Project, Huaguoyuan, Guiyang	Commercial	April 2052	100%
Commercial properties on plots D4-D6 of the Zhengzhou Central Business District project	No. 6, 9, and 12, Longhai Middle Road, Erqi District, Zhengzhou City	Commercial	December 2064	100%

5.17 Implementation of the Action Plan for “Quality and Efficiency Improvement and Returns Enhancement” of the Company

Since the release of the Action Plan for Quality and Efficiency Improvement and Returns Enhancement, the Company has actively carried out and implemented relevant work based on the actual situation, and the specific implementation in 2025 is as follows:

(1) Enhancing the operating quality to realise quality and efficiency improvement

In 2025, focusing on the main line of “efficiency enhancement and value creation”, the Company coordinated market operation, debt collection and recovery, cost reduction and expense control, and quality improvement and efficiency enhancement, ensured the safety of cash flow, strictly controlled debt risks, continuously enhanced value creation capabilities, maintained the leading market share in traditional fields, accelerated the expansion of the “second curve” market and overseas markets, and continuously deepened the management of value-creating projects. Throughout the year, the Company completed newly signed contract amount of RMB2,750 billion, representing a year-on-year increase of 1.3%. In the market environment where the construction industry underwent deep adjustments and investment decelerated from a high level, key financial indicators such as operating income, net profit and cash flow were largely in line with industry trends. The “basic position” of enterprise development remained stable, demonstrating strong resilience and expanding the space for high-quality development.

(2) Continuing stable dividend distribution and obtaining more market recognition

In particular, the Company distributed a cash dividend of RMB0.178 (tax inclusive) per share in 2024, with a total cash dividend exceeding RMB4.4 billion, accounting for 15.79% of the net profit attributable to shareholders of listed companies for the year, representing an increase of 0.27 percentage points as compared with 2023; and distributed an interim cash dividend of RMB0.082 (tax inclusive) per share in 2025, with a total cash dividend exceeding RMB2.0 billion, accounting for 17.11% of the net profit attributable to shareholders of listed companies for the first half of the year. The Company actively shared the development achievements with shareholders, and the investors’ sense of gain has been effectively enhanced.

(3) *Developing new quality productive forces and promoting industrial innovation*

In 2025, the Company thoroughly implemented the spirit of the Central Enterprise Science and Technology Innovation Conference, actively undertook major national science and technology special research tasks, successfully hosted the theme forum of “Scientific and Technological Innovation Empowerment for the Integrated Development of Civil Engineering”, launched the “AI+” special action, and established the Infrastructure Green and Low-carbon Research Center; two subsidiary factories were selected as “2024 National 5G Factories” and one subsidiary company was selected as “National Green Factory”; the first domestic railway catenary intelligent maintenance robot platform developed by the Company was put into operation, filling the gap in the field of domestic electrified railway catenary robot operation and maintenance; it has overcome the packaged technical issues of vibration adsorption and windproof of high-speed railway bridges with a speed of 400 kilometers per hour, mastered the intelligent construction technology of long-span underground caverns, and achieved breakthroughs and advancements through independent innovation. Meanwhile, the Company actively promoted the intelligent, green and integrated transformation of the construction industry, released six vertical domain large models in the fields of components for communications engineering, signal engineering, electrical engineering and electrification engineering, tunnels, survey and design, industrial manufacturing, bridges and expressways, and achieved the first industrial application in the field of rail transit operation and maintenance.

(4) *Enhancing communication with investors and strengthening value management*

In 2025, in compliance with the regulatory requirements for listing in both Shanghai and Hong Kong, the Company continuously deepened information disclosure work, constantly improved the quality of regular reports, completed the annual information disclosure work in accordance with the laws and regulations, and received A rating in the 2024-2025 information disclosure work evaluation by the Shanghai Stock Exchange. In 2025, the Company continued to enrich the channels for investor communication, holding earnings briefings through both on-site and online means, visiting key institutional shareholders, and conducting joint reverse roadshows; by frequently participating in exchanges with domestic and foreign investors, receiving on-site research visits, and carefully responding to questions on the SSE E-Interaction platform, the Company strived to enable investors in the capital market to deeply perceive the value of the enterprise.

In 2025, the Company formulated the Market Value Management Regulations of China Railway in combination with the requirements of the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management to strengthen the Company’s market value management behavior from the perspective of system construction and promote the Company’s sustainable and high-quality development; and formulated and disclosed the Valuation Enhancement Plan of China Railway, to conduct market value management from 10 contents of three aspects: improving quality and efficiency, consolidating value management and ensuring value realization, and take market value management as a long-term strategic management behavior to enhance investment value and shareholder return capacities.

(5) *Adhering to standardized operation and improving governance efficiency*

In 2025, in accordance with the latest regulatory requirements and corporate needs, the Company focused on promoting the implementation of measures such as optimizing the governance system, reforming the Supervisory Committee and differentiated delegation of authority to the board of directors of subsidiaries, amended eight governance systems including the Articles of Association and the rules of procedure for the general meeting and the Board of Directors, efficiently completed the reform of the Supervisory Committee and the transfer of its functions, and further clarified the rights and responsibilities of each governance body of the joint-stock company. Meanwhile, the Company has completed the differentiated delegation of authority to the board of directors based on “one policy for one enterprise” of 44 subsidiaries, and further optimized the boundaries of governance rights and responsibilities and decision-making processes of subsidiaries, thereby continuously consolidating the foundation of the Company’s modern enterprise system, and effectively strengthened the governance guarantee for high-quality development of the enterprise.

Looking forward, the Company will continue to focus on “efficiency improvement and value creation” with the theme of high-quality development, focus on the valuation enhancement plan, and continue to carry out the action of “quality and efficiency improvement and returns enhancement”.

5.18 Implementation and Assessment of the “Valuation Enhancement Plan” of the Company

In accordance with the relevant requirements of the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management issued by the CSRC, the 9th meeting of the sixth session of the Board of the Company considered and approved the “Proposal on the Valuation Enhancement Plan of China Railway Group Limited” on 28 March 2025, and disclosed the “Valuation Enhancement Plan of China Railway Group Limited” (the “Valuation Enhancement Plan”) on the next day. In 2025, centering on the three core tasks of “improving operational quality to achieve quality and efficiency improvement; leveraging capital tools to solidify value-based operations; and enhancing market interaction to ensure value realization” in the Valuation Enhancement Plan, the Company systematically promoted the effective implementation of all tasks.

On 3 February 2026, the 14th meeting of the Strategy and Investment Committee of the sixth session of Board of the Company listened to the “Report on the Assessment of the Valuation Enhancement Plan of China Railway”. After a comprehensive assessment of the internal and external environment, the overall situation of the capital market, and the Company’s major business decisions and capital operation arrangements, all relevant circumstances remain consistent with the established direction of the Valuation Enhancement Plan, and there are no major variables that deviated from the core goals of the plan. Therefore, the Valuation Enhancement Plan has the rationality and feasibility for continuous advancement. Currently, the Valuation Enhancement Plan can still serve as the guiding principle for valuation enhancement work in 2026. Besides, the Company will also closely monitor the macroeconomic situation, industry policy orientation and market fluctuations, and promptly assess whether it is necessary to optimize and improve the content of the Valuation Enhancement Plan. If optimization and improvement are needed, it will be submitted to the Board for review in a timely manner.

5.19 Environmental Information on Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Whose Environmental Information is Disclosed in Accordance with the Law

In 2025, some individual projects under the Company’s subsidiaries were subject to administrative penalties by local environmental protection supervision and other departments during the construction process due to reasons such as sewage discharge and illegal land use. The total amount of penalties was approximately RMB991,000. Currently, all penalty matters have been rectified and passed the acceptance of local regulatory authorities. The Company will further strengthen ecological and environmental protection work, intensify supervision over energy conservation and ecological environment protection, enhance control over ecological and environmental pollution risk sources and pollutant emissions during the production process, and effectively protect and improve the living and ecological environment.

The Company upholds the working philosophy of “diligence and frugality, green development”. In 2025, the Company earnestly implemented the national ecological civilization construction and “dual carbon” strategic deployment, earnestly fulfilled the responsibilities of China Railway in responding to climate change and energy conservation and emission reduction in accordance with the green development indicator work requirements of the SASAC of the State Council, and achieved results in energy conservation and emission reduction, environmental protection, green innovation, promotion of energy-saving technologies, utilization of renewable energy, and demonstration and leadership of green construction technology, thereby effectively promoting the green development transformation of the enterprise.

The Company fully utilized the rooftops and idle land in typical scenarios such as transportation corridors and stations and buildings to construct distributed photovoltaic-energy storage integrated comprehensive energy service systems; built green station houses for rail transit, near-zero-carbon and zero-carbon service areas for highways, and zero-carbon green buildings; formulated a comprehensive energy-saving plan for tunnels and adopted new technologies such as energy-storing luminescent coatings to reduce lighting energy consumption; increased the proportion of self-generated and self-consumed renewable energy for facilities and equipment, as well as the proportion of green power purchased by each unit; and actively expanded the business of treating air, wastewater, sludge and other pollutants in cities and transportation.

5.20 Social Responsibility Commitments

As a leader in the construction industry, the Company never forgets its mission of becoming a practitioner, promoter and pioneer of corporate social responsibility. The Company has started to construct a scientific, standardized, systematic and effective management system of corporate social responsibilities since 2008, planning social responsibilities in ten aspects, i.e. governance in accordance with the law, quality services, efficiency creation, employee development, safety supervision, scientific and technological progress, environmental protection, public welfare undertakings, win-win cooperation and overseas responsibility, and rolling out a series of social responsibility management activities covering its headquarters and subsidiaries in order to achieve social responsibility goals of comprehensive coverage, down-to-earth implementation, steady perfection and industrial leading, and make continuous and irreplaceable contributions to the society.

The Company deeply implemented the Guidelines for China Railway to Fulfill Social Responsibility (ESG) with High Standards in the New Era, continuously promoted the full integration of the concepts of social responsibility and ESG into corporate strategy, major decisions and corporate culture construction, and formulated and released its 18th ESG report and social responsibility report. In 2025, the Company received a “Five-Star” rating for corporate social responsibility report, was selected as an outstanding ESG case by the Ministry of Ecology and Environment, and was listed on CCTV’s “Top 100 ESG Listed Companies in China”, “Top 100 ESG Central State-Owned Listed Companies in China” and “Top 50 ESG Listed Companies in Beijing-Tianjin-Hebei Region (2025)” lists. The Company was also rewarded the Outstanding Report, Excellent Case and Outstanding Case for social responsibility (ESG) of transportation enterprises by the China Association of Communications Enterprise Management, and was awarded the Overseas ESG Pioneer under the “Responsibility Whale-Bull Awards” by Responsibility Cloud and the 2025 Outstanding Enterprise under the Ernst & Young Sustainability Awards. Two cases, “Red Rucheng, Fragrant Baimao Tea – Full Industrial Chain Support for Rucheng Baimao Tea Industry” and “Chongtai Yangtze River Tunnel Leading the Development of Intelligent Tunnel Construction Technology in China”, were selected into the “ESG Blue Book on Environmental, Social and Governance (ESG) of Central State-Owned Listed Companies (2025)” and the “Blue Book on Social Responsibility of Central Enterprise (2025)” issued by the SASAC of the State Council, respectively, fully demonstrating the hard power of sustainable development.

For details of the Company’s fulfillment of social responsibilities, please refer to the 2025 Environmental, Social and Corporate Governance Report and Sustainability Report of China Railway Group Limited published by the Company on the website of Shanghai Stock Exchange.

External donations, public welfare projects	Quantity/ Content	Description
Total investment (RMB ten-thousand)	9,238.96	Mainly including an investment of RMB1 million in Rucheng County, Hunan Province to implement the contract farming demonstration village project of China Rail, an investment of RMB4 million in Rucheng Vocational High School to establish a drone operation and maintenance major, and an investment of RMB15 million to support the first phase of the construction of the art and sports hall of Rucheng No. 1 Middle School; an investment of RMB8 million to develop high-standard farmland for cold-water rice and an investment of RMB12 million to build a smart cold-water rice processing plant in Guidong County, Hunan Province; an investment of RMB20 million in Baode County, Shanxi Province for high-standard farmland construction project; an investment of RMB21.7 million in Chamdo City, Tibet for the second phase of the construction of a beautiful and livable countryside in Mozhong Village, Shagong Township, etc.
Including: Funds (RMB ten-thousand)	9,238.96	
Materials equivalent (RMB ten-thousand)	–	
Number of beneficiaries (persons)	420,000	

Specific description

The Company has always kept in mind the “greater national interest” and actively fulfilled its social responsibilities as a central enterprise. It has continuously exerted its efforts in areas such as disaster relief, rural revitalization, public welfare assistance, and volunteer services, safeguarding people’s well-being with its strong sense of responsibility and demonstrating the true nature of a central enterprise through concrete actions.

5.21 Work of Consolidating and Expanding Poverty Alleviation Results and Rural Revitalization

Poverty alleviation and rural revitalization projects	Quantity/ Content	Description
Total investment (RMB ten-thousand)	8,760	<p>In 2025, RMB87.6 million was invested in four assisted regions, including RMB21.3 million each for Rucheng County and Guidong County in Hunan Province, Baode County in Shanxi Province, and RMB21.7 million for Karuo District in Chamdo City, Tibet. Additionally, RMB500,000 was allocated for the training of rural grassroots cadres and RMB1.5 million for consulting services. The key construction assistance projects include an investment of RMB1 million in Rucheng County, Hunan Province to implement the contract farming demonstration village project of China Rail, an investment of RMB4 million in Rucheng Vocational High School to establish a drone operation and maintenance major, and an investment of RMB15 million to support the first phase of the construction of the art and sports hall of Rucheng No. 1 Middle School; an investment of RMB8 million to develop high-standard farmland for cold-water rice and an investment of RMB12 million to build a smart cold-water rice processing plant in Guidong County, Hunan Province; an investment of RMB20 million in Baode County, Shanxi Province for high-standard farmland construction project; an investment of RMB21.7 million in Chamdo City, Tibet for the second phase of the construction of a beautiful and livable countryside in Mozhong Village, Shagong Township.</p>

Poverty alleviation and rural revitalization projects	Quantity/ Content	Description
Including: Funds (RMB ten-thousand)	8,760	
Materials equivalent (RMB ten-thousand)		
Number of beneficiaries (persons)	140,000	
Forms of assistance (such as industrial assistance, employment assistance, education assistance)	Industrial assistance, employment assistance, education assistance, etc.	In 2025, RMB98.27 million was directly invested in assistance funds (including RMB87.60 million of grant funding), RMB403 million was introduced for assistance, 8 cadres were dispatched for temporary positions, 16,600 grassroots cadres and talents were trained, and RMB74.79 million worth of agricultural products were purchased and sold. The case of supporting Rucheng Baimao tea was selected into the “Blue Book on Social Responsibility of Central Enterprise”, and the employment brand “Baode Good Driver” was selected as a “Typical Case of Central Enterprise Targeted Assistance Work”. Hu Guowei, a seconded cadre, was awarded the title of “Advanced Individual for Aid to Tibet” by the Party Committee and Government of the Tibet Autonomous Region, and Wu Shengzi was recognized as an outstanding stationed first secretary for his dedication and commitment in Hunan Province.

Specific description

In 2025, the Company took consolidating and expanding the achievements of poverty alleviation and comprehensively promoting rural revitalization as its core goals, adhered to the alignment of “corporate capabilities” and “local needs”, and solidly advanced targeted assistance for Rucheng in Hunan Province, Guidong in Hunan Province, and Baode in Shanxi Province, as well as counterpart support for Karuo District in Tibet by establishing mechanisms, cultivating industries and ensuring implementation.

- 1. Fully implementing the “four measures”.** Firstly, promoting infrastructure upgrading. The Guidong Zhenxing Avenue project was completed and delivered with high quality, which has improved the transportation environment of 8 administrative villages along the line, and benefited 61,000 people; the Company assisted in the construction of the art and sports hall of Rucheng No.1 Middle School and the Shazhou Agricultural Products Cold Chain Logistics & Trading Center, facilitating the connection of industrial chains. The Company built a beautiful and livable village in Mozhong Village, Shagong Township, Karuo District, Tibet, improving infrastructure; and implemented a number of “small and beautiful” livelihood projects, benefiting over 3,500 people. Secondly, deepening consumption assistance. The Company organized product exhibitions and sales for merchants in the assisted counties, and increased internal consumption and procurement within the enterprise, and the procurement amount during the “Rural Revitalization Week” ranked among the top of central enterprises. In Guidong County, by expanding the “live-streaming sales + community group buying” model, online sales increased significantly, and 32 agricultural products obtained green food certification. The Company built a highland vegetable base in Guidong, piloted fresh agricultural products in Rucheng, optimized the purchasing platform and opened up direct supply channels to the Company’s canteens, to drive an increase in average income for vegetable farming households. Thirdly, strengthening safeguards for people’s livelihood. The Company has built a new nursing home and meal assistance points in Guidong County, provided financial aid to students in need, and launched the “Micro Wish Fulfillment” campaign; purchased medical equipment for Baode County Hospital and bought cold-weather supplies for students in need; offered financial support to college students in difficulty in Rucheng. The Company implemented the “Gesang Flower Project” in the Karuo District, Tibet to assist single mothers, provided student scholarships, and carried out the “Warm Winter Action” to distribute “Love Gift Packs”. Fourthly, highlighting the empowerment of Party building. The Company implemented the “Four Red Projects” for Party building in Guidong County, which involved training town and village cadres as well as leaders in wealth creation, supporting the construction of grassroots Party organizations, and innovating mechanisms for stationed village deliberations, and the mass satisfaction rate reached 96%; the Company jointly produced a series of short videos for assistance that have won multiple honors. In Baode County, the Company compiled village chronicles, organized “bringing theatrical performances to rural villages” activities, and promoted the reform of outdated customs.

2. **Carefully cultivating “three types of brands”.** Firstly, comprehensively upgrading the brand of “assisting farmers in increasing income”. The Company has established a “mother and child trademark” system for Rucheng baimao tea, promoted the selection of superior individual plants and the development of a public brand, which has been selected as one of the “Top Ten Brands” of Hunan tea; conducted research on non-destructive detection technology for nai plums, introduced an intelligent sorting production line, and solved the problem of sorting and cold chain logistics, benefiting more than 20,000 fruit farmers; and has built a high-altitude cold-water rice base at the Heping Terraced Fields in Guidong, and introduced smart agricultural technology, which has increased production by over 20% compared to traditional cultivation methods. The photovoltaic power station in Baode County have achieved “cluster development”, and clean energy has become a “source of wealth”. Secondly, precisely positioning the brand of “emerging industries”. The Company expanded the “infrastructure +” model of China Railway, and assisted in building a drone training base at Rucheng Vocational High School, enrolling 57 students; and completed the construction of 21,000 mu of high-standard farmland in Baode County, benefiting 5 towns and 28 administrative villages. The photovoltaic power station has achieved significant increase in power generation throughout the year. The Company promoted centralized seedling raising in greenhouses and the application of intelligent agricultural machinery in Guidong County to enhance spring farming production. Intensifying efforts to build the brand of “employment empowerment”. Thirdly, adhering to the principle of “dual support for both aspiration and intelligence”, the Company assisted in the construction of the vocational skills training base in Rucheng, raising the employment rate of the vocational secondary school graduates to 92.9%. The “Baode Good Driver” brand has been recognized by national ministries and commissions. The characteristic training classes of China Railway consistently cultivated and supplied a diverse range of talents talents, including skilled workers, grassroots cadres, leaders in wealth creation and college graduates.

6 FINANCIAL REPORT

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	<i>NOTES</i>	Year ended 31/12/2025 RMB million	Year ended 31/12/2024 RMB million
Revenue	3	1,093,494	1,160,311
Cost of sales and services		<u>(995,537)</u>	<u>(1,050,080)</u>
Gross profit		97,957	110,231
Other income	4	4,462	4,018
Other expenses	4	(1,216)	(847)
Net impairment losses on financial assets and contract assets	5	(6,429)	(6,798)
Other gains and losses, net	6	737	754
Losses from derecognition of financial assets at amortised cost	7	(4,393)	(5,145)
Selling and marketing expenses		(6,404)	(6,944)
Administrative expenses		(23,173)	(25,495)
Research and development expenditures		<u>(22,443)</u>	<u>(26,632)</u>
Operating profit		39,098	43,142
Finance income		6,415	7,875
Finance costs		(14,096)	(12,814)
Share of post-tax losses of joint ventures		(244)	(724)
Share of post-tax profits of associates		<u>3,278</u>	<u>3,134</u>
Profit before income tax		34,451	40,613
Income tax expense	8	<u>(8,104)</u>	<u>(9,855)</u>
Profit for the year		<u>26,347</u>	<u>30,758</u>
Profit attributable to:			
– Owners of the Company		22,892	27,887
– Non-controlling interests		<u>3,455</u>	<u>2,871</u>
		<u>26,347</u>	<u>30,758</u>
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	10	<u>0.848</u>	<u>1.085</u>
– Diluted	10	<u>0.848</u>	<u>1.084</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Year ended 31/12/2025 <i>RMB million</i>	Year ended 31/12/2024 <i>RMB million</i>
Profit for the year	26,347	30,758
Other comprehensive income/(expense), net of income tax		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Remeasurement of retirement and other supplemental benefit obligations	9	(104)
Income tax relating to remeasurement of retirement and other supplemental benefit obligations	(4)	16
Changes in the fair value of equity investments at fair value through other comprehensive income (“FVTOCI”)	296	253
Income tax relating to changes in the fair value of equity investments at FVTOCI	(56)	(53)
	<u>245</u>	<u>112</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(105)	(51)
Share of other comprehensive (expense)/income of joint ventures and associates	(239)	77
	<u>(344)</u>	<u>26</u>
Other comprehensive (expense)/income for the year, net of tax	<u>(99)</u>	<u>138</u>
Total comprehensive income for the year	<u>26,248</u>	<u>30,896</u>
Total comprehensive income for the year attributable to:		
– Owners of the Company	22,808	28,026
– Non-controlling interests	3,440	2,870
	<u>26,248</u>	<u>30,896</u>

Consolidated Statement of Financial Position

At 31 December 2025

	<i>NOTES</i>	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
ASSETS			
Non-current Assets			
Property, plant and equipment		151,489	145,360
Right-of-use assets		16,625	16,401
Deposits for acquisition of property, plant and equipment		1,036	600
Investment properties		21,953	18,959
Intangible assets		279,973	232,245
Mining assets		7,442	7,671
Contract assets		264,572	264,336
Investments in joint ventures		60,626	57,020
Investments in associates		74,138	69,690
Goodwill		1,346	1,558
Financial assets at FVTOCI		18,902	20,971
Other financial assets at amortised cost		21,272	24,774
Financial assets at fair value through profit or loss ("FVTPL")		17,982	17,965
Deferred tax assets		18,592	15,216
Other prepayments		599	645
Trade and other receivables	<i>11</i>	174,219	98,762
		1,130,766	992,173
Current Assets			
Properties held for sale		58,111	55,019
Properties under development for sale		104,019	118,324
Inventories		73,478	72,372
Financial assets at FVTOCI		854	752
Trade and other receivables	<i>11</i>	442,111	388,827
Contract assets		366,845	333,120
Current income tax recoverable		4,873	5,036
Other financial assets at amortised cost		22,949	27,737
Financial assets at FVTPL		12,924	12,155
Restricted cash and term deposit with maturity over three months		42,180	50,577
Cash and cash equivalents		211,322	199,485
Assets classified as held for sale		–	689
		1,339,666	1,264,093
Total Assets		2,470,432	2,256,266

	<i>NOTES</i>	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
EQUITY			
Equity attributable to owners of the Company			
Share capital		24,686	24,742
Treasury shares		(160)	(333)
Share premium and reserves		293,595	279,868
Perpetual notes		<u>52,794</u>	<u>50,290</u>
		370,915	354,567
Non-controlling interests		<u>169,535</u>	<u>155,425</u>
Total Equity		<u>540,450</u>	<u>509,992</u>
LIABILITIES			
Non-current Liabilities			
Trade and other payables	12	92,193	84,322
Borrowings		426,368	373,736
Lease liabilities		3,411	3,015
Retirement and other supplemental benefit obligations		1,450	1,654
Provisions		3,964	1,709
Deferred government grants and income		1,116	929
Deferred tax liabilities		<u>6,895</u>	<u>4,712</u>
		<u>535,397</u>	<u>470,077</u>
Current Liabilities			
Trade and other payables	12	1,091,052	958,911
Contract liabilities		150,871	161,139
Current income tax liabilities		8,477	9,075
Borrowings		141,796	144,231
Lease liabilities		1,293	1,137
Retirement and other supplemental benefit obligations		215	234
Financial liabilities at FVTPL		878	665
Provisions		<u>3</u>	<u>805</u>
		<u>1,394,585</u>	<u>1,276,197</u>
Total Liabilities		<u>1,929,982</u>	<u>1,746,274</u>
Total Equity and Liabilities		<u>2,470,432</u>	<u>2,256,266</u>

Notes:

1. GENERAL INFORMATION

China Railway Group Limited (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 12 September 2007 as a joint stock company with limited liability, as part of the group reorganisation of China Railway Engineering Group Company Limited (“**CREC**”) in preparation for the listing of the Company’s A shares on Shanghai Stock Exchange and H shares on the Main Board of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The address of the Company’s registered office is 918, Block 1, No.128 South 4th Ring Road West, Fengtai District, Beijing, the PRC. The Company’s ultimate holding company is CREC, established in the PRC.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development, mining and merchandise trading, financial trust management, comprehensive financial services and insurance agent.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

The consolidated financial statements have been approved for issue by the Board of Directors (the “**Directors**”) on 30 March 2026.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRS ACCOUNTING STANDARDS**”)

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the above amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. OPERATING SEGMENTS

The Directors are the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the Directors that are used to allocate resources to the segments and assess their performance. The reports reviewed by the Directors are prepared in accordance with the relevant PRC accounting standards, which resulted in the difference in the basis of measurement of segment results, segment assets and segment liabilities, the details of which are shown as reconciling items.

The Directors consider the business from the service and product perspective. Management assesses the performance of the following five operating segments:

- (a) Construction of railways, highways, bridges, tunnels, metropolitan railways (including subways and light railways), buildings, irrigation works, hydroelectricity projects, ports, docks, airports and other municipal works (“**Infrastructure construction**”);
- (b) Survey, design, consulting, research and development, feasibility study and compliance certification services with respect to infrastructure construction projects (“**Design and consulting services**”);
- (c) Design, research and development, manufacture and sale of turnouts, bridge steel structures, and other railway related equipment, engineering equipment, component manufacturing and materials (“**Equipment and manufacturing**”);
- (d) Development, sale and management of residential and commercial properties (“**Property development**”); and
- (e) Mining, financial business, operation of service concession arrangements, merchandise trading and other ancillary business (“**Other businesses**”).

Revenue between segments is carried out at actual transaction prices.

The segment information regarding the Group’s reportable and operating segments is presented below.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2025

	Infrastructure construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Eliminations <i>RMB million</i>	Total <i>RMB million</i>
External revenue	925,351	16,875	27,615	44,647	68,546	-	1,083,034
Inter-segment revenue	17,058	906	5,553	-	24,149	(47,666)	-
Other revenue	6,386	428	847	675	2,124	-	10,460
Inter-segment other revenue	<u>1,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>838</u>	<u>(2,134)</u>	<u>-</u>
Segment revenue	<u>950,091</u>	<u>18,209</u>	<u>34,015</u>	<u>45,322</u>	<u>95,657</u>	<u>(49,800)</u>	<u>1,093,494</u>
Segment results							
Profit (loss) before tax	<u>31,435</u>	<u>1,613</u>	<u>1,851</u>	<u>(2,671)</u>	<u>5,074</u>	<u>(3,762)</u>	<u>33,540</u>
Segment results included:							
Share of post-tax (losses)/profits of joint ventures	(312)	-	25	(1)	44	-	(244)
Share of post-tax profits/(losses) of associates	697	(39)	5	46	2,569	-	3,278
Interest income	1,647	115	52	124	5,324	(847)	6,415
Interest expenses	(6,477)	(46)	(116)	(2,175)	(7,024)	2,757	(13,081)
Losses from derecognition of financial assets at amortised cost	<u>(4,282)</u>	<u>(14)</u>	<u>(62)</u>	<u>-</u>	<u>(35)</u>	<u>-</u>	<u>(4,393)</u>

For the year ended 31 December 2024

	Infrastructure construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Eliminations <i>RMB million</i>	Total <i>RMB million</i>
External revenue	992,854	17,418	24,813	48,280	66,837	-	1,150,202
Inter-segment revenue	22,365	790	9,419	-	31,000	(63,574)	-
Other revenue	4,121	315	1,666	590	3,417	-	10,109
Inter-segment other revenue	<u>1,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955</u>	<u>(2,148)</u>	<u>-</u>
Segment revenue	<u>1,020,533</u>	<u>18,523</u>	<u>35,898</u>	<u>48,870</u>	<u>102,209</u>	<u>(65,722)</u>	<u>1,160,311</u>
Segment results							
Profit (loss) before tax	<u>34,439</u>	<u>1,460</u>	<u>1,974</u>	<u>(2,402)</u>	<u>7,084</u>	<u>(3,684)</u>	<u>38,871</u>
Segment results included:							
Share of post-tax (losses)/profits of joint ventures	(522)	-	43	(67)	(161)	(17)	(724)
Share of post-tax profits/(losses) of associates	1,094	7	30	(31)	2,228	(194)	3,134
Interest income	1,946	111	85	171	6,500	(938)	7,875
Interest expenses	(5,473)	(43)	(98)	(1,605)	(8,074)	2,750	(12,543)
Losses from derecognition of financial assets at amortised cost	<u>(4,912)</u>	<u>(39)</u>	<u>(83)</u>	<u>-</u>	<u>(111)</u>	<u>-</u>	<u>(5,145)</u>

A reconciliation of the amounts presented for reportable segments to the consolidated financial statements is as follows:

	Year ended	
	31/12/2025	31/12/2024
	RMB million	RMB million
(i) Segment interest expenses, before inter-segment elimination	15,838	15,293
Inter-segment elimination	<u>(2,757)</u>	<u>(2,750)</u>
Reconciling item:		
Imputed interest expenses on retention payables	<u>1,015</u>	<u>271</u>
Total consolidated finance costs, as reported	<u>14,096</u>	<u>12,814</u>
(ii) Segment results, before inter-segment elimination	37,302	42,555
Inter-segment elimination	<u>(3,762)</u>	<u>(3,684)</u>
	<u>33,540</u>	<u>38,871</u>
Reconciling item:		
Land appreciation tax (“LAT”) (a) (Note 8)	<u>911</u>	<u>1,742</u>
Total consolidated profit before income tax, as reported	<u>34,451</u>	<u>40,613</u>
(a) LAT is included as charge to segment results under segment reporting and is classified as income tax expense in the consolidated statement of profit or loss.		

The following is an analysis of the Group’s assets and liabilities by reportable segments:

	31/12/2025	31/12/2024
	RMB million	RMB million
Segment assets		
Infrastructure construction	1,642,703	1,379,342
Design and consulting	33,419	31,960
Equipment manufacturing	84,292	80,094
Property development	280,882	284,889
Other businesses	804,670	841,500
Inter-segment elimination	(397,161)	(380,088)
Unallocated assets	<u>21,627</u>	<u>18,569</u>
Total assets	<u>2,470,432</u>	<u>2,256,266</u>

	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Segment liabilities		
Infrastructure construction	1,410,297	1,192,314
Design and consulting	18,117	16,074
Equipment manufacturing	51,457	49,833
Property development	242,705	235,371
Other businesses	589,456	620,911
Inter-segment elimination	(393,577)	(378,299)
Unallocated liabilities	11,527	10,070
	<u>1,929,982</u>	<u>1,746,274</u>
Total liabilities	<u>1,929,982</u>	<u>1,746,274</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- (a) all assets are allocated to operating segments other than deferred tax assets and current income tax recoverable excluding prepaid LAT which is allocated to operating segments; and
- (b) all liabilities are allocated to operating segments other than deferred tax liabilities and current income tax liabilities excluding LAT payable which is allocated to operating segments.

A reconciliation of the amounts presented for reportable segments to the consolidated financial statements is as follows:

	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Segment assets, before inter-segment elimination	2,845,966	2,617,785
Inter-segment elimination	<u>(397,161)</u>	<u>(380,088)</u>
	<u>2,448,805</u>	<u>2,237,697</u>
Reconciling items:		
Deferred tax assets	18,592	15,216
Non-tradable shares reform of subsidiaries (a)	(148)	(148)
Current income tax recoverable	4,873	5,036
Prepaid LAT included in current income tax recoverable	<u>(1,690)</u>	<u>(1,535)</u>
	<u>21,627</u>	<u>18,569</u>
Total consolidated assets, as reported	<u>2,470,432</u>	<u>2,256,266</u>
Segment liabilities, before inter-segment elimination	2,312,032	2,114,503
Inter-segment elimination	<u>(393,577)</u>	<u>(378,299)</u>
	<u>1,918,455</u>	<u>1,736,204</u>
Reconciling items:		
Deferred tax liabilities	6,895	4,712
Current income tax liabilities	8,477	9,075
LAT payable included in current income tax liabilities	<u>(3,845)</u>	<u>(3,717)</u>
	<u>11,527</u>	<u>10,070</u>
Total consolidated liabilities, as reported	<u>1,929,982</u>	<u>1,746,274</u>

(a) Losses on non-tradable shares reform of subsidiaries are recorded in segment assets in segment reporting according to PRC accounting standards and were adjusted to other gains and losses in profit or loss under IFRS Accounting Standards in prior years.

Other segment information

For the year ended 31 December 2025

	Infrastructure Construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Total <i>RMB million</i>
Capital expenditure:						
Property, plant and equipment	14,496	204	1,579	308	3,949	20,536
Investment properties	353	1	-	276	81	711
Intangible assets	35,385	26	479	4	10,904	46,798
Mining assets	-	-	-	-	12	12
Right-of-use assets	5,287	63	204	37	1,019	6,610
Total	<u>55,521</u>	<u>294</u>	<u>2,262</u>	<u>625</u>	<u>15,965</u>	<u>74,667</u>
Depreciation and amortisation:						
Property, plant and equipment	6,173	286	1,212	370	2,712	10,753
Investment properties	176	20	18	400	153	767
Intangible assets	382	27	63	7	2,277	2,756
Mining assets	54	-	-	-	163	217
Right-of-use assets	4,919	67	131	127	426	5,670
Other prepayments	71	8	16	9	68	172
Total	<u>11,775</u>	<u>408</u>	<u>1,440</u>	<u>913</u>	<u>5,799</u>	<u>20,335</u>
(Gains)/losses on disposal and/ or write-off of						
property, plant and equipment	(21)	1	(3)	1	14	(8)
Gain on disposal of others	(124)	-	(1)	-	-	(125)
Increase in foreseeable losses on contracts	750	-	-	-	-	750
Impairment loss/(reversal of impairment) on trade and other receivables	3,741	(103)	(23)	290	(52)	3,853
Impairment loss/(reversal of impairment) on other financial assets at amortised cost	189	(14)	-	56	416	647
Impairment loss on contract assets	1,844	6	10	60	9	1,929
Impairment loss on property, plant and equipment	66	-	1	-	7	74
Impairment loss on investment properties	-	10	-	105	16	131
Impairment loss on intangible assets	28	-	16	-	-	44
Impairment loss on goodwill	125	-	-	80	7	212
Impairment (gain)/loss on inventories, properties under development for sale and properties held for sale	(24)	-	3	1,616	9	1,604

For the year ended 31 December 2024

	Infrastructure Construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	Total RMB million
Capital expenditure:						
Property, plant and equipment	17,898	252	1,452	750	3,163	23,515
Investment properties	32	–	–	311	224	567
Intangible assets	14,092	33	62	9	22,897	37,093
Mining assets	2	–	–	–	4,640	4,642
Right-of-use assets	4,492	43	134	246	305	5,220
Total	36,516	328	1,648	1,316	31,229	71,037
Depreciation and amortisation:						
Property, plant and equipment	6,078	305	739	320	2,476	9,918
Investment properties	189	41	15	284	130	659
Intangible assets	334	29	53	15	1,203	1,634
Mining assets	55	–	–	–	100	155
Right-of-use assets	2,376	56	149	112	261	2,954
Other prepayments	43	5	14	6	119	187
Total	9,075	436	970	737	4,289	15,507
(Gains)/losses on disposal and/ or write-off of						
property, plant and equipment	(257)	1	1	–	32	(223)
Gain on disposal of others	–	–	–	(245)	–	(245)
Increase in foreseeable losses on contracts	216	–	–	–	–	216
Impairment loss/(reversal of impairment) on trade and other receivables	2,938	151	84	1,185	(178)	4,180
Impairment loss/(reversal of impairment) on other financial assets at amortised cost	274	(10)	–	31	553	848
Impairment loss/(gain) on contract assets	1,707	6	12	(16)	61	1,770
Impairment loss on property, plant and equipment	–	23	2	33	6	64
Impairment loss on investment properties	38	–	–	–	–	38
Impairment loss on goodwill	199	–	–	–	–	199
Impairment loss on mining assets	22	–	–	–	–	22
Impairment loss on inventories, properties under development for sale and properties held for sale	32	–	2	1,237	3	1,274

Disaggregation of revenue from contracts with customers

For the year ended 31 December 2025						
Type of services and products	Infrastructure construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Total <i>RMB million</i>
Infrastructure construction contracts	925,351	-	-	-	-	925,351
Manufacturing and sales of equipment	-	-	27,615	-	-	27,615
Rendering of services	-	16,875	-	-	9,576	26,451
Sales of properties	-	-	-	44,647	-	44,647
Sales of goods and others	6,386	428	847	675	61,094	69,430
Total revenue	931,737	17,303	28,462	45,322	70,670	1,093,494
Timing of revenue recognition:						
– At a point of time	6,386	428	18,284	43,854	68,055	137,007
– Over time	925,351	16,875	9,974	1,468	-	953,668
Revenue from contracts with customers	931,737	17,303	28,258	45,322	68,055	1,090,675
Rental income	-	-	204	-	2,615	2,819
Total revenue	931,737	17,303	28,462	45,322	70,670	1,093,494
For the year ended 31 December 2024						
Type of services and products	Infrastructure construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Total <i>RMB million</i>
Infrastructure construction contracts	992,854	-	-	-	-	992,854
Manufacturing and sales of equipment	-	-	24,813	-	-	24,813
Rendering of services	-	17,418	-	-	6,595	24,013
Sales of properties	-	-	-	48,280	-	48,280
Sales of goods and others	4,121	315	1,666	590	63,659	70,351
Total revenue	996,975	17,733	26,479	48,870	70,254	1,160,311
Timing of revenue recognition:						
– At a point of time	4,122	315	15,918	47,250	67,673	135,278
– Over time	992,853	17,418	10,385	1,620	-	1,022,276
Revenue from contracts with customers	996,975	17,733	26,303	48,870	67,673	1,157,554
Rental income	-	-	176	-	2,581	2,757
Total revenue	996,975	17,733	26,479	48,870	70,254	1,160,311

Revenue from external customers in the Mainland China and other regions is as follows:

	Revenue from external customers	
	Year ended	
	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Mainland China	1,019,476	1,091,667
Other regions (including Hong Kong and Macau)	74,018	68,644
	<u>1,093,494</u>	<u>1,160,311</u>

Non-current assets other than trade and other receivables, financial instruments and deferred tax assets located in the Mainland China and other regions are as follows:

	Non-current assets	
	31/12/2025	
	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Mainland China	860,723	795,759
Other regions (including Hong Kong and Macau)	19,076	18,726
	<u>879,799</u>	<u>814,485</u>

Other regions primarily include countries and regions in Africa, South America and Asia.

4. OTHER INCOME AND EXPENSES

	Year ended 31/12/2025 <i>RMB million</i>	Year ended 31/12/2024 <i>RMB million</i>
Other income from:		
Government subsidies (a)	637	1,074
Interest income from other financial assets at amortised cost	1,274	918
Compensation and claims	528	657
Interest income from financial assets at FVTPL	383	254
Dividends from financial assets at FVTOCI	139	80
Relocation compensation	50	24
Others	<u>1,451</u>	<u>1,011</u>
	<u>4,462</u>	<u>4,018</u>
Other expenses on:		
Compensation expenditure	105	163
Penalty cost	324	208
Lawsuit expenditure	149	57
Others	<u>638</u>	<u>419</u>
	<u>1,216</u>	<u>847</u>

(a) Government subsidies relating to income include various government subsidies received by the group entities from the relevant government bodies in connection with enterprise expansion, technology advancement, environmental protection measures enhancement, product development, etc. All subsidies were recognised at the time when the Group fulfilled the relevant criteria and the related expenses were incurred.

Government subsidies relating to assets include government subsidies obtained by the group entities in relation to the acquisition of property, plant and equipment, which were included in the consolidated statement of financial position as deferred government grants and credited to profit or loss on a straight-line basis over the expected useful lives of the relevant assets.

5. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	Year ended 31/12/2025 <i>RMB million</i>	Year ended 31/12/2024 <i>RMB million</i>
Trade and other receivables (excluding advance to suppliers)	3,853	4,180
Contract assets	1,929	1,770
Other financial assets at amortised cost	<u>647</u>	<u>848</u>
	<u>6,429</u>	<u>6,798</u>

6. OTHER GAINS AND LOSSES, NET

	Year ended 31/12/2025 <i>RMB million</i>	Year ended 31/12/2024 <i>RMB million</i>
Gains on disposal and/or write-off of		
– property, plant and equipment	8	223
– intangible assets	125	15
– others	–	230
Gains/(losses) on disposal of financial assets/liabilities at FVTPL	18	(39)
(Losses)/gains on disposal of investments in		
– subsidiaries	(114)	661
– associates	(44)	–
– joint ventures	1,612	–
– Losses arising on change in fair value of financial assets/ liabilities at FVTPL	(370)	(418)
Foreign exchange (losses)/gains, net	(65)	97
Impairment losses on		
– property, plant and equipment	(74)	(64)
– intangible assets	(44)	–
– investment properties	(131)	(38)
– goodwill	(212)	(199)
Others	<u>28</u>	<u>286</u>
	<u>737</u>	<u>754</u>

7. LOSSES FROM DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST

	Year ended 31/12/2025 <i>RMB million</i>	Year ended 31/12/2024 <i>RMB million</i>
Asset-backed notes (“ABN”) and asset-backed securities (“ABS”)	3,289	4,383
Factoring expenses	1,092	544
Bills receivables discounted expenses	<u>12</u>	<u>218</u>
	<u>4,393</u>	<u>5,145</u>

8. INCOME TAX EXPENSE

	Year ended 31/12/2025 <i>RMB million</i>	Year ended 31/12/2024 <i>RMB million</i>
Current income tax		
– Enterprise income tax (“EIT”)	8,348	9,181
– LAT	911	1,742
– Under/(over) provision in prior years	95	(47)
Deferred income tax	<u>(1,250)</u>	<u>(1,021)</u>
Income tax expense	<u>8,104</u>	<u>9,855</u>

The majority of the entities in the Group are located in Mainland China. Pursuant to the relevant laws and regulations, the statutory EIT rate of 25% (2024: 25%) is applied to these entities in the Group except for certain subsidiaries which were mainly either exempted from EIT or entitled to the preferential tax rate of 20% and 15% (2024: 20% and 15%) for the year ended 31 December 2025.

Certain of the Group’s overseas entities are located in Republic of Singapore, The Lao People’s Democratic Republic, Malaysia, Democratic Republic of the Congo, Republic of Indonesia, People’s Republic of Bangladesh, United Republic of Tanzania, The Republic of Guinea, The Republic of Angola and Federal Democratic Republic of Ethiopia. Pursuant to the relevant laws and regulations of these jurisdictions, the EIT rates of 17%, 24%, 24%, 30%, 20%, 25%, 30%, 25%, 25% and 30% (2024: 17%, 24%, 24%, 30%, 20%, 25%, 30%, 25%, 25% and 30%) are applied to these entities respectively.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

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

	Year ended 31/12/2025 RMB million	Year ended 31/12/2024 RMB million
Profit before income tax	34,451	40,613
Tax at PRC EIT rate of 25% (2024: 25%)	8,613	10,153
Tax effect of:		
Non-deductible expenses	214	186
Share of losses of joint ventures	61	181
Share of profits of associates	(820)	(784)
Tax losses/other deductible temporary differences not recognised as deferred tax assets	2,997	2,829
Utilisation of tax losses/other deductible temporary differences previously not recognised as deferred tax assets	(375)	(656)
Preferential tax rates on income of group entities and other income tax credits	(2,154)	(2,176)
Research and development tax credit	(887)	(1,214)
LAT	911	1,742
Tax effect of LAT	(228)	(436)
Under/(over) provision in prior years	95	(47)
Deductible dividends on perpetual notes	(489)	(526)
Others	166	603
	<u>8,104</u>	<u>9,855</u>
Income tax expense for the year	<u><u>8,104</u></u>	<u><u>9,855</u></u>

The PRC EIT rate is used as it is the domestic tax rate in the jurisdiction where the operation of the Group is substantially based.

9. DIVIDENDS

	Year ended 31/12/2025 RMB million	Year ended 31/12/2024 RMB million
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2025 Interim – RMB0.082 (2024: 2024 interim dividend nil) per share	2,023	–
2024 Final – RMB0.178 (2024: 2023 final dividend RMB0.210) per share	4,404	5,198
	<u>6,427</u>	<u>5,198</u>
	<u><u>6,427</u></u>	<u><u>5,198</u></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.086 (2024: final dividend in respect of the year ended 31 December 2024 of RMB0.178) per ordinary share, in an aggregate amount of RMB2,121 million (2024: RMB4,404 million), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

For those financial instruments classified as equity, if the distributions are cumulative, the undeclared amount of the cumulative distributions were deducted in arriving at earnings for the purposes of the EPS calculation. On the other hand, if the distributions are non-cumulative, only the amount of dividends declared in respect of the year should be deducted in arriving at the profit attributable to ordinary shareholders.

	Year ended 31/12/2025	Year ended 31/12/2024
Profit attributable to owners of the Company (<i>RMB million</i>)	22,892	27,887
Less:		
– dividends attributable to the perpetual notes (<i>RMB million</i>) (<i>Note (i)</i>)	1,978	1,157
– the effect of 2021 Restricted Share Incentive Scheme (<i>RMB million</i>)	<u>–</u>	<u>22</u>
Profit used to determine basic earnings per share (<i>RMB million</i>)	<u>20,914</u>	<u>26,708</u>
Weighted average number of ordinary shares to determine basic earnings per share (<i>in million</i>)	<u>24,670</u>	<u>24,619</u>
Basic earnings per share (<i>RMB per share</i>)	<u>0.848</u>	<u>1.085</u>

- (i) The perpetual notes issued by the Company were classified as equity instruments with deferrable cumulative interest distribution and payment. The perpetual notes interests, which was generated and attributable to the year ended 31 December 2025, were deducted from earnings when calculate the earnings per share for the year ended 31 December 2025.

(b) Diluted

Diluted earnings per share was calculated by dividing the adjusted profit attributable to ordinary equity holders of the Company based on the diluted potential ordinary shares by the weighted average number of shares in issue during the period. For the year of 2025, the Company’s restricted shares does not have diluted effect on earnings per share; therefore, the diluted earnings per share equalled the basic earnings per share (as at 31 December 2024: diluted earnings per share was RMB1.084).

Diluted earnings per share are calculated as follows:

	Year ended 31/12/2025	Year ended 31/12/2024
Earnings		
Profit used to determine basic earnings per share (RMB million)	<u>20,914</u>	<u>26,708</u>
Add:		
– the effect of 2021 Restricted Share Incentive Scheme (RMB million)	<u>–</u>	<u>22</u>
Profit used to determine diluted earnings per share (RMB million)	<u><u>20,914</u></u>	<u><u>26,730</u></u>
Shares		
Weighted average number of ordinary shares to determine basic earnings per share (in million)	24,670	24,619
Dilution effect		
– the effect of 2021 Restricted Share Incentive Scheme (in million)	<u>–</u>	<u>44</u>
Weighted average number of ordinary shares to determine diluted earnings per share (in million)	<u><u>24,670</u></u>	<u><u>24,663</u></u>
Diluted earnings per share (RMB per share)	<u><u>0.848</u></u>	<u><u>1.084</u></u>

11. TRADE AND OTHER RECEIVABLES

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
Trade and bills receivables	485,946	359,446
Less: loss allowance	(21,409)	(21,265)
Trade and bills receivables – net	464,537	338,181
Other receivables (net of impairment)	111,399	109,154
Advance to suppliers (net of impairment)	40,394	40,254
Total trade and other receivables	616,330	487,589
Less: amount due after one year included in non-current assets	(174,219)	(98,762)
Amount due within one year included in current assets	442,111	388,827
Including: Trade receivables	308,068	263,758
Less: credit loss allowance	(19,190)	(17,564)
Trade receivables – net	288,878	246,194

(a) Ageing analysis of trade and bills receivables, based on invoice date, is as follows:

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
Less than 1 year	403,509	297,064
1 year to 2 years	38,578	24,032
2 years to 3 years	12,765	13,509
3 years to 4 years	11,301	7,323
4 years to 5 years	4,486	3,036
More than 5 years	15,307	14,482
Total	485,946	359,446

Majority of the Group's revenues are generated through infrastructure construction, survey, design and consulting, engineering equipment and component manufacturing contracts. The settlements are made in accordance with the terms specified in the contracts governing the relevant transactions.

- (b) Trade receivables of RMB532 million (31 December 2024: RMB555 million) were pledged to secure borrowings amounting to RMB165 million (31 December 2024: RMB445 million).
- (c) As at 31 December 2025, trade receivables of RMB71,513 million (31 December 2024: RMB89,480 million) and long-term trade receivables of RMB1,920 million (31 December 2024: RMB1,432 million) had been transferred to ABN and ABS in accordance with relevant issuance documents, and trade receivables of RMB30,411 million (31 December 2024: RMB17,036 million) and long-term trade receivables of RMB64 million (31 December 2024: RMB209 million) had been transferred to financial institutions in accordance with relevant non-recourse factoring agreements. Relevant trade receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.
- (d) As at 31 December 2025, bills receivables – bank acceptance and commercial acceptance notes of RMB741 million (31 December 2024: RMB1,122 million) were endorsed to suppliers, and RMB20 million (31 December 2024: RMB10 million) were discounted with banks. In the opinion of the Directors, as the counter party bears higher credit risk, such transactions did not qualify for derecognition. In addition, as at 31 December 2025, bills receivables – bank acceptance notes of RMB32 million (31 December 2024: RMB994 million) were endorsed to suppliers, and RMB32 million (31 December 2024: RMB1 million) were discounted with banks. Relevant bills receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.
- (e) As at 31 December 2025, trade receivables net of credit loss allowance included in current assets, which were collectively assessed for impairment, are as follows:

	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Central-governmental enterprises		
Less than 1 year	18,652	16,233
1 year to 2 years	2,077	2,102
2 years to 3 years	654	485
3 years to 4 years	188	214
4 years to 5 years	53	85
More than 5 years	108	103
	<hr/>	<hr/>
Total	21,732	19,222
	<hr/> <hr/>	<hr/> <hr/>

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
Locally-administrated state-owned enterprises		
Less than 1 year	144,136	132,784
1 year to 2 years	24,614	12,973
2 years to 3 years	5,445	4,671
3 years to 4 years	2,962	3,398
4 years to 5 years	1,820	1,447
More than 5 years	1,725	1,635
	<hr/>	<hr/>
Total	180,702	156,908
	<hr/> <hr/>	<hr/> <hr/>

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
China State Railway Group Co., Ltd.		
Less than 1 year	23,232	17,200
1 year to 2 years	1,893	1,241
2 years to 3 years	531	447
3 years to 4 years	211	171
4 years to 5 years	92	222
More than 5 years	338	178
	<hr/>	<hr/>
Total	26,297	19,459
	<hr/> <hr/>	<hr/> <hr/>

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
Overseas enterprises		
Less than 1 year	6,383	4,174
1 year to 2 years	647	256
2 years to 3 years	112	10
3 years to 4 years	1	12
4 years to 5 years	2	1
More than 5 years	106	–
	<hr/>	<hr/>
Total	7,251	4,453
	<hr/> <hr/>	<hr/> <hr/>

	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Other entities		
Less than 1 year	36,022	33,357
1 year to 2 years	6,867	3,591
2 years to 3 years	1,869	1,354
3 years to 4 years	687	752
4 years to 5 years	406	387
More than 5 years	825	621
	<hr/>	<hr/>
Total	<u>46,676</u>	<u>40,062</u>

As at 31 December 2025, the amount of individually impaired trade receivables was RMB16,112 million (31 December 2024: RMB15,777 million) with the provision for loss allowance of RMB9,892 million (31 December 2024: RMB9,687 million).

As at 31 December 2025, bills receivables – bank acceptance notes of RMB643 million (31 December 2024: RMB782 million) were not impaired. Commercial acceptance notes, which were collectively assessed for impairment, were RMB917 million (31 December 2024: RMB1,087 million) with the provision for credit loss allowance of RMB3 million (31 December 2024: RMB3 million).

As at 31 December 2025, the amount of collectively impaired long-term trade receivables was RMB172,314 million (31 December 2024: RMB90,288 million) with the provision for loss allowance of RMB1,359 million (31 December 2024: RMB689 million). The amount of individually impaired long-term trade receivables was RMB4,885 million (31 December 2024: RMB3,530 million) with the provision for loss allowance of RMB868 million (31 December 2024: RMB3,008 million).

(f) Movements on loss allowance of trade and bills receivables are as follows:

	Lifetime ECL (not credit- impaired) <i>RMB million</i>	Lifetime ECL (credit- impaired) <i>RMB million</i>	Total <i>RMB million</i>
As at 1 January 2024	6,265	12,594	18,859
– Transfer to credit-impaired	(69)	69	–
– Impairment losses recognised	3,759	1,312	5,071
– Impairment losses reversed	(1,409)	(1,127)	(2,536)
– Write-offs	(10)	(77)	(87)
Exchange adjustments	7	(3)	4
Others	27	(73)	(46)
As at 31 December 2024	8,570	12,695	21,265
– Transfer to credit-impaired	(15)	15	–
– Impairment losses recognised	5,140	1,007	6,147
– Impairment losses reversed	(3,003)	(886)	(3,889)
– Write-offs	(10)	(2,037)	(2,047)
Exchange adjustments	(7)	8	1
Others	(26)	(42)	(68)
As at 31 December 2025	<u>10,649</u>	<u>10,760</u>	<u>21,409</u>

(g) Movements on loss allowance of other receivables are as follows:

	12m ECL <i>RMB million</i>	Lifetime ECL (not credit- impaired) <i>RMB million</i>	Lifetime ECL (credit- impaired) <i>RMB million</i>	Total <i>RMB million</i>
As at 1 January 2024	507	2,129	11,524	14,160
– Transfer to credit-impaired	–	(519)	519	–
– Transfer to not credit-impaired	(356)	356	–	–
– Impairment losses recognised	465	161	1,920	2,546
– Impairment losses reversed	(113)	(346)	(442)	(901)
– Write-offs	–	–	(110)	(110)
Exchange adjustments	10	2	1	13
Others	(13)	–	326	313
As at 31 December 2024	500	1,783	13,738	16,021
– Transfer to credit-impaired	–	(463)	463	–
– Transfer to not credit-impaired	(193)	193	–	–
– Impairment losses recognised	597	350	1,732	2,679
– Impairment losses reversed	(242)	(188)	(654)	(1,084)
– Write-offs	–	(3)	(1,421)	(1,424)
Exchange adjustments	(9)	(2)	(1)	(12)
Others	75	–	160	235
As at 31 December 2025	<u>728</u>	<u>1,670</u>	<u>14,017</u>	<u>16,415</u>

The increase and reversal in loss allowance of trade and other receivables have been included in net impairment losses on financial assets in the consolidated statement of profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(h) The carrying amount of trade and other receivables are denominated in the following currencies:

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
RMB	604,278	477,999
USD	7,688	6,533
West African CFA Franc	413	164
Ethiopian Birr	26	7
HKD	548	365
EUR	32	15
Other currencies	<u>3,345</u>	<u>2,506</u>
	<u>616,330</u>	<u>487,589</u>

As at 31 December 2025, other currencies mainly comprised of Bangladesh Taka, Malaysian Ringgit and South African Rand.

(i) The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

12. TRADE AND OTHER PAYABLES

	31/12/2025 <i>RMB million</i>	31/12/2024 <i>RMB million</i>
Trade and bills payables (a)	940,556	773,169
Dividend payables	2,178	947
Accrued payroll and welfare	7,493	6,540
Other taxes	6,949	5,626
Deposits received in advance	5,049	1,443
Deposits (b)	8,335	7,627
Advance from customers for rental	1,769	2,219
Payables for advances	20,324	18,811
Payables to ABS holders	37,899	24,098
Other payables	152,693	202,753
	<u>1,183,245</u>	<u>1,043,233</u>
Analysed for reporting purposes as:		
Non-current	92,193	84,322
Current	1,091,052	958,911
	<u>1,183,245</u>	<u>1,043,233</u>

The credit period on purchases of goods ranges from 180 days to 360 days. Included in trade and bills payables are retention payables of RMB37,630 million (31 December 2024: RMB39,110 million). Retention payables are interest-free and payable at the end of the retention period of the respective infrastructure construction and products manufacturing and installation contracts.

The balances of other payables mainly include payments made by the third parties on behalf of the Group, guarantee money payables and others.

- (a) The ageing analysis of trade and bills payables (including amounts due to related parties of trading nature), based on invoice date, is as follows:

	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
Less than 1 year	802,695	724,349
1 year to 2 years	84,538	26,926
2 years to 3 years	27,312	8,907
More than 3 years	26,011	12,987
	<u>940,556</u>	<u>773,169</u>

- (b) China Railway Finance Co., Ltd. (“**CREC Finance**”), a subsidiary of the Company, accepted deposits from related parties and third parties. As at 31 December 2025, these deposits were due within one year with average annual interest rate of 1.124%.

- (c) The carrying amount of trade and other payables are denominated in the following currencies:

	31/12/2025	31/12/2024
	<i>RMB million</i>	<i>RMB million</i>
RMB	1,173,371	1,033,189
USD	5,172	5,943
Other currencies	4,702	4,101
	<u>1,183,245</u>	<u>1,043,233</u>

As at 31 December 2025, other currencies mainly consist of Tanzanian Shilling, Peruvian Sol, and Ugandan Shilling.

7 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2025.

8 DIVIDENDS

The Board of Directors recommended the payment of a final dividend in the amount of RMB0.086 per share (including tax), totalling approximately RMB2.121 billion for the year ended 31 December 2025. Including the 2025 interim dividend of RMB0.082 per share (tax included) distributed by the Company in December 2025, totaling approximately RMB2.023 billion, the total dividend for the fiscal year ended 31 December 2025, was RMB0.168 per share (tax included), totaling approximately RMB4.144 billion. (2024: RMB0.178 per share (including tax) totalling approximately RMB4.404 billion). The distribution plan will be implemented upon approval at the 2025 annual general meeting of the Company and the dividend is expected to be paid in around August 2026 to the shareholders of the Company.

9 REPURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2025, the Company repurchased and cancelled part of the restricted A shares granted under the incentive scheme.

On 12 June 2025, the Company completed the repurchase and cancellation of 856,199 restricted shares granted to 5 participants under the first grant but not yet unlocked. Among these 5 participants, 2 participants became unable to hold restricted shares of the Company and were disqualified for the 2021 Restricted Share Incentive Scheme, and 3 participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. The repurchase price of the restricted shares repurchased from the 2 participants was RMB2.944 per share, plus the interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period, and the repurchase price for the 3 participants was RMB2.944 per share. For details, please refer to the Company's announcements dated 13 March 2025 and 9 June 2025 on the website of the Hong Kong Stock Exchange.

On 29 September 2025, the Company decided to repurchase and cancel 54,786,990 restricted shares held by 678 participants which were granted but had not met the unlocking conditions for the third unlocking period. In particular, the Company repurchased and cancelled a total of 50,813,003 restricted shares granted to 628 participants under the first grant but had not met the unlocking conditions for the third unlocking period, with the repurchase price of RMB2.766 per share; and a total of 3,973,987 restricted shares granted to 50 participants under the reserved grant but had not met the unlocking conditions for the third unlocking period, with the repurchase price of RMB3.092 per share. On 24 November 2025, the Company completed the repurchase and cancellation procedures of 54,723,290 restricted shares which were granted to 677 participants thereof but not yet unlocked, and the repurchase price was RMB2.766 per share. On 19 January 2026, the Company completed the repurchase and cancellation procedures of 63,700 restricted shares which were granted to remaining 1 participant but not yet unlocked, and the repurchase price was RMB2.766 per share.

For details, please refer to the relevant announcements of the Company dated 29 September 2025, 19 November 2025, 25 November 2025 and 14 January 2026 on the Hong Kong Stock Exchange website.

On 30 April 2025, the Company disclosed the plan on the proposed repurchase of certain A shares through centralized bidding trading. This plan has been considered and approved at the annual general meeting for the year 2024, the 2025 first A share class meeting and the 2025 first H share class meeting held on 20 June 2025. It was agreed that the Company would use self-owned funds and special loans for the share repurchase to repurchase part of the Company's issued RMB ordinary shares (A shares) through centralized bidding trading. The total amount of funds for the repurchase will not be less than RMB800 million and not exceed RMB1.6 billion, with a maximum repurchase price of RMB8.50 per share. All repurchased shares will be cancelled, and the Company's registered capital will be reduced. The repurchase period is from 20 June 2025 to 19 June 2026.

The monthly reports during the Company's repurchase period are as follows:

Unit: Yuan Currency: Renminbi

Month of repurchase	Repurchase quantity (share)	Highest trading price per share	Lowest trading price per share	Total transaction amount (excluding transaction fees)
June 2025	/	/	/	/
July 2025	/	/	/	/
August 2025	/	/	/	/
September 2025	/	/	/	/
October 2025	6,998,600	5.75	5.63	39,999,328.00
November 2025	3,502,900	5.75	5.63	19,999,752.00
December 2025	18,310,500	5.75	5.42	100,019,066.00
January 2026	/	/	/	/
February 2026	/	/	/	/
March 2026	/	/	/	/
Total	<u>28,812,000</u>	<u>/</u>	<u>/</u>	<u>160,018,146.00</u>

During the reporting period, the Company had repurchased a total of 28,812,000 A shares, accounting for approximately 0.1167% of the Company's total share capital as at 31 December 2025.

As of the date of this announcement, the Company has repurchased a total of 28,812,000 A shares, accounting for approximately 0.1167% of the Company's total share capital as at the date of this announcement.

Apart from the above matters, neither the Company nor its subsidiaries had any purchase, sale or redemption of the Company's listed securities during the year ended 31 December 2025.

10 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Hong Kong Stock Exchange, the Company is committed to comply with the requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Company has complied with all provisions of the Corporate Governance Code during the reporting period.

11 MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code for securities transactions by its directors. After specific enquiries to all directors, the Company confirms that the directors complied with the standards set out in the Model Code during the reporting period.

12 EVENT AFTER THE REPORTING PERIOD

In view of the fact that the performance evaluation indicators set at the Company level for the third unlocking period of the 2021 Restricted Share Incentive Scheme of the Company have not been met, on 19 January 2026, the Company completed the repurchase and cancellation of 63,700 restricted shares granted to 1 participant but not yet unlocked. The total number of shares of the Company was reduced from 24,686,285,629 shares to 24,686,221,929 shares.

13 PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be released on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crec.cn). The 2025 Annual Report prepared in accordance with the IFRS will be released on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crec.cn). The 2025 Annual Report prepared in accordance with CAS and its abstract will be released on the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of the Company (www.crec.cn).

By Order of the Board
China Railway Group Limited
Chen Wenjian
Chairman

Beijing, the PRC
30 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Wenjian (Chairman) and Mr. ZHAO Dianlong; the non-executive directors of the Company are Mr. WEN Limin and Mr. FANG Xiaobing; the independent non-executive directors of the Company are Mr. XIU Long, Ms. SUN Lishi and Mr. TU Haiming.