



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

永遠的開路先鋒

2025

INTERIM REPORT



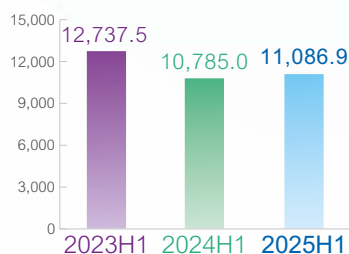
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SNAPSHOT OF INTERIM REPORT

New contracts

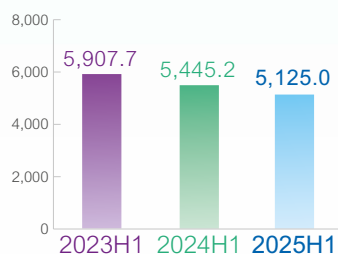
RMB'00 million



Year-on-year increase
2.8% ▲

Revenue

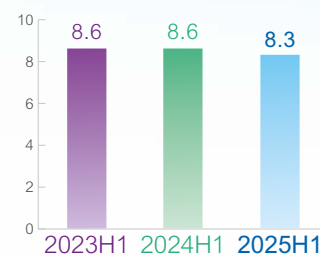
RMB'00 million



Year-on-year decrease
5.9% ▼

Gross profit margin

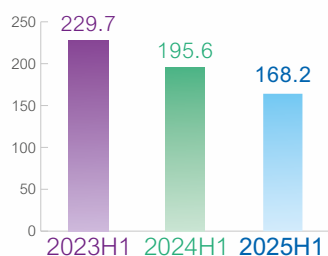
%



Year-on-year decrease
0.3 percentage point ▼

Profit before income tax

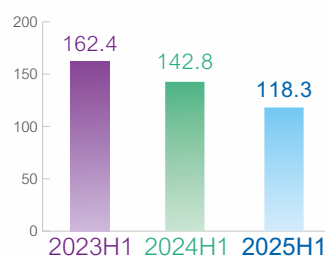
RMB'00 million



Year-on-year decrease
14.0% ▼

Profit attributable to owners of the Company

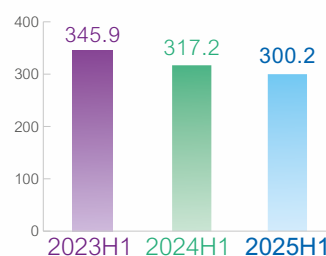
RMB'00 million



Year-on-year decrease
17.2% ▼

EBITDA

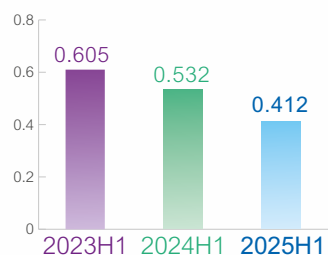
RMB'00 million



Year-on-year decrease
5.4% ▼

Basic earnings per share

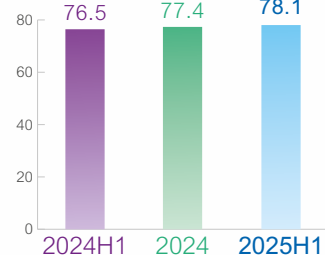
RMB/share



Year-on-year decrease
22.6% ▼

Gearing ratio

%



Increase by **0.7 percentage point**
from the beginning of the year ▲

COMPANY PROFILE

The Company was established as a joint stock company with limited liability in the People's Republic of China (the "PRC" or "China") under the Company Law of the PRC on 12 September 2007. The A shares and H shares issued by the Company were listed on the Shanghai Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 3 December 2007 and 7 December 2007, respectively.

We are one of the largest multi-functional integrated construction groups in the PRC and Asia in terms of the total revenue of the engineering contract. We offer a full range of construction-related services, including infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, and also expand to other businesses such as property development and mining development.

We have outstanding advantages in the construction of infrastructure facilities such as railways, highways, municipal works and urban rails. In particular, we hold leading positions in the design and construction of bridges, tunnels and electrified railways, and the design and manufacturing of bridge steel structures and turnouts in the PRC, which have achieved advanced international standards. While we operate in every province across the PRC, we have also explored extensive global markets.

Adhering to the motto of "striving to challenge limits and achieve excellence", the Company is committed to continuous development to create a brighter and better future.

FINANCIAL SUMMARY

The financial data contained in this interim report has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Unless otherwise specified, the financial data of the Company and its subsidiaries are consolidated and presented in RMB.

Summary of Condensed Consolidated Statement of Profit or Loss

	For the six months ended 30 June					Change
	2025	2024	2023	2022	2021	2025 vs 2024
						(%)
		RMB million				
Revenue						
Infrastructure Construction	448,386	484,838	526,649	495,908	459,516	-7.5
Design and Consulting	9,415	9,351	9,622	9,232	7,701	0.7
Equipment Manufacturing	16,149	16,586	17,519	16,767	16,466	-2.6
Property Development	15,816	14,843	21,187	23,709	14,122	6.6
Other Businesses	46,223	48,881	55,031	50,314	45,039	-5.4
Inter-segment Eliminations and Adjustments	(23,487)	(29,977)	(39,242)	(35,343)	(44,617)	
Total	512,502	544,522	590,766	560,587	498,227	-5.9
Gross Profit	42,420	46,757	50,906	46,550	41,767	-9.3
Profit before Income Tax	16,823	19,560	22,972	21,897	18,412	-14.0
Profit for the Period	13,142	15,669	18,264	16,808	14,350	-16.1
Profit for the Period						
Attributable to Owners of the Company	11,827	14,279	16,239	15,115	13,095	-17.2
Basic Earnings per Share (RMB)	0.412	0.532	0.605	0.551	0.454	-22.6

Summary of Condensed Consolidated Statement of Financial Position

	As at 30 June 2025	As at 31 December 2024	As at 30 June 2024	Change 30 June 2025 vs 31 December 2024 (%)	Change 30 June 2025 vs 30 June 2024 (%)
		<i>RMB million</i>			
Assets					
Current assets	1,319,518	1,264,093	1,134,794	4.4	16.3
Non-current assets	1,056,988	992,173	869,630	6.5	21.5
Total assets	2,376,506	2,256,266	2,004,424	5.3	18.6
Liabilities					
Current liabilities	1,372,821	1,276,197	1,142,802	7.6	20.1
Non-current liabilities	482,995	470,077	390,345	2.7	23.7
Total liabilities	1,855,816	1,746,274	1,533,147	6.3	21.0
Total equity	520,690	509,992	471,277	2.1	10.5
Total equity and liabilities	2,376,506	2,256,266	2,004,424	5.3	18.6

Differences between Financial Data Prepared in accordance with IAS 34 and Chinese Accounting Standard ("CAS")

	Net assets as at 30 June 2025 <i>RMB million</i>	Profit for the period for the six months ended 30 June 2025 <i>RMB million</i>
Amounts attributable to owners of the Company stated in the financial statements prepared in accordance with CAS	366,751	11,827
Adjustments as required by IAS 34:		
– Recognition of loss on shares conversion scheme of a subsidiary	(148)	–
Amounts attributable to owners of the Company stated in the interim financial information prepared in accordance with the IAS 34	366,603	11,827

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

1 Changes in Shares

(1) Changes in shares

Unit: Shares

	Before the change		Increase/decrease in the change (+,-)					After the change	
	Number	Percentage (%)	Issuance of new shares	Bonus shares	Reserve converted to shares	Others	Sub-total	Number	Percentage (%)
I. Shares with selling restrictions	111,066,899	0.45	0	0	0	-52,305,921	-52,305,921	58,760,978	0.24
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	-52,305,921	-52,305,921	58,760,978	0.24
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	-52,305,921	-52,305,921	58,760,978	0.24
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	99.76
1. RMB-denominated ordinary shares	20,423,408,219	82.55	0	0	0	51,449,722	51,449,722	20,474,857,941	82.76
2. Domestically-listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	4,207,390,000	17	0	0	0	0	0	4,207,390,000	17
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	24,741,865,118	100	0	0	0	-856,199	-856,199	24,741,008,919	100

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(2) Explanation to the 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 30 April 2025, the Company disclosed a plan to repurchase certain A shares through centralized bidding. This plan was reviewed 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. As of the date of this report, the Company has not yet repurchased any A shares. The Company will initiate the repurchase process in due course and publish relevant progress announcements as required.

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

Not applicable

(4) Other information considered necessary by the Company or required by securities regulators that should be disclosed

Not applicable

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(5) Changes in restricted shares

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 change in restricted shares	Date of releasing selling restrictions
Participants for restricted shares	111,066,899	52,305,921	0	58,760,978	The unlocking conditions for the second unlocking period under the first grant of the 2021 Restricted Share Incentive Scheme were fulfilled and 51,449,722 restricted shares were unlocked and listed. 856,199 restricted shares were repurchased and cancelled as the unlocking conditions were not fulfilled.	31 March 2025 and 12 June 2025
Total	111,066,899	52,305,921	0	58,760,978		

2 Information on Shareholders

(1) Total number of shareholders

Total number of holders of ordinary shares as at the end of the reporting period	462,003
Total number of holders of preference shares with reinstated voting rights as at the end of the reporting period	0

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(2) Shareholdings of the top ten shareholders

Unit: Shares

Name of shareholder	Increase/ decrease during the reporting period	Total number of shares held at the end of the period	Shareholding percentage (%)	Number of shares with selling restrictions	Number of pledged or frozen shares	Conditions of shares	Number	Nature of shareholder
CREC (Note 1)	0	11,623,119,890	46.98	0	Nil	0	0	State-owned legal person
HKSCC Nominees Limited (Note 2)	0	4,010,711,746	16.21	0	Nil	0	0	Other
China Reform Development Investment Management Co., Ltd.	0	742,605,892	3.00	0	Nil	0	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (Note 3)	110,936,651	625,221,995	2.53	0	Nil	0	0	Other
China Securities Finance Corporation Limited	0	619,264,325	2.50	0	Nil	0	0	State-owned legal person
Central Huijin Assets Management Co., Ltd.	0	230,435,700	0.93	0	Nil	0	0	State-owned legal person
Industrial and Commercial Bank of China Limited – Huatai- PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	5,216,770	182,551,289	0.74	0	Nil	0	0	Other
China Great Wall Asset Management Co., Ltd.	-38,771,684	138,562,835	0.56	0	Nil	0	0	State-owned legal person
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	-7,427,235	131,135,600	0.53	0	Nil	0	0	Other
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Central European Fund – Agricultural Bank of China – Central European China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Yinhua Fund – Agricultural Bank of China – Yinhua Fund China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	0	Other
Statement on the special account for repurchase of the top ten shareholders		Nil						
Statement on entrustment of voting right, voting right by proxy and abstaining from voting of the shareholders above		Nil						
Statement on the related relations and concerted actions between the shareholders above		CREC, the largest shareholder, does not have related relations or acting-in-concert relationship with the other above shareholders. The Company is not aware of any related relationships or acting-in- concert relationship among the other above shareholders.						
Statement on shareholders of preference shares with reinstated voting rights and the number of shares held		Nil						

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

Note 2: H shares held by HKSCC Nominees Limited are held on behalf of its various clients, and the number of H shares of the Company held by CREC has already been deducted.

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

Note 4: The numbers shown in the table are based on the register of members of the Company as at 30 June 2025.

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(3) Shareholdings of the top ten shareholders without selling restrictions

Unit: Shares

Name of shareholder	Number of shares held without selling restrictions	Type	Type and number of shares	Quantity
CREC (Note 1)	11,458,725,890	RMB-denominated ordinary shares		11,458,725,890
	164,394,000	Overseas listed foreign shares		164,394,000
HKSCC Nominees Limited (Note 2)	4,010,711,746	Overseas listed foreign shares		4,010,711,746
China Reform Development Investment Management Co., Ltd.	742,605,892	RMB-denominated ordinary shares		742,605,892
Hong Kong Securities Clearing Company Limited (Note 3)	625,221,995	RMB-denominated ordinary shares		625,221,995
China Securities Finance Corporation Limited	619,264,325	RMB-denominated ordinary shares		619,264,325
Central Huijin Assets Management Co., Ltd.	230,435,700	RMB-denominated ordinary shares		230,435,700
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	182,551,289	RMB-denominated ordinary shares		182,551,289
China Great Wall Asset Management Co., Ltd.	138,562,835	RMB-denominated ordinary shares		138,562,835
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Central European Fund – Agricultural Bank of China – Central European China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Yinhua Fund – Agricultural Bank of China – Yinhua Fund China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares		131,135,600
Statement on the special accounts for repurchase of the top ten shareholders	Nil			
Statement on entrustment of voting right, voting right by proxy and abstaining from voting of the shareholders above	Nil			
Statement on the related relations and concerted actions among the shareholders above	CREC, the largest shareholder, does not have related relations or perform concerted actions with the other above shareholders. The Company is not aware of any related relationships or concerted action relationships among the other above shareholders.			
Statement on the shareholders of preferred shares with reinstated voting rights and the number of shares held	Nil			

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

Note 2: H shares held by HKSCC Nominees Limited are held on behalf of its various clients, and the number of H shares of the Company held by CREC has already been deducted.

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

Note 4: The numbers shown in the table are based on the register of members of the Company as at 30 June 2025.

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

- (4) **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

- (5) **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

- (6) **Shareholdings of the top ten shareholders with selling restrictions and terms of selling restrictions**

Not applicable

- (7) **Strategic investors or general legal persons becoming the top ten shareholders by placing of new shares**

Not applicable

3 Information on Directors, Supervisors and Senior Management

- (1) **Changes in the shareholdings of incumbent directors, supervisors and senior management and those departed during the reporting period**

Not applicable

- (2) **Share incentives granted to the directors, supervisors and senior management during the reporting period**

Not applicable

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4 Changes in the Controlling Shareholder or the Ultimate Controller

Not applicable

5 Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2025, the Company repurchased and cancelled part of the restricted A shares granted under the 2021 restricted share incentive scheme of the Company.

The Company completed the repurchase and cancellation of 856,199 restricted shares that had been granted to 5 participants under the first grant but not yet unlocked on 12 June 2025. Among the abovementioned 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 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 of the restricted shares repurchased from 3 participants was RMB2.944 per share. Please refer to the announcements of the Company dated 13 March 2025 and 9 June 2025 published on the website of the Hong Kong Stock Exchange.

Save for the above, during the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

6 Interests and Short Positions of Directors, Supervisors and Chief Executive in Shares, Underlying Shares and Debentures

As at 30 June 2025, none of the directors, supervisors and chief executive of the Company had any interests and short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (the "**Model Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

7 Interests and Short Positions of Substantial Shareholders and Other Persons in Shares and Underlying Shares

As at 30 June 2025, the Company has been notified of the following 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 shareholder	Capacity	Number of A shares held (shares)	Nature of interest	Approximate percentage of issued A shares (%)	Approximate percentage of total issued shares (%)
CREC	Beneficial owner	11,458,725,890	Long position	55.80	46.31

Apart from the foregoing, as at 30 June 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 by the Company under Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1 Directors

The directors of the Company during the six months ended 30 June 2025 are as follows:

Name	Age	Position
CHEN Yun (resigned on 12 March 2025)	62	Former Chairman and Executive Director
CHEN Wenjian	52	Chairman (elected on 13 March 2025) and Executive Director
WANG Shiqi	59	Executive Director
WEN Limin	59	Non-executive Director
FANG Xiaobing (elected on 20 June 2025)	54	Non-executive Director
XIU Long	68	Independent Non-executive Director
SUN Lishi	63	Independent Non-executive Director
TU Haiming	63	Independent Non-executive Director

2 Supervisors

The supervisors of the Company during the six months ended 30 June 2025 are as follows:

Name	Age	Position
JIA Huiping (resigned on 28 February 2025)	60	Chairman of the Supervisory Committee and Shareholder Representative Supervisor
LI Xiaosheng (Supervisory Committee abolished on 20 June 2025)	52	Employee Representative Supervisor
WANG Xinhua (Supervisory Committee abolished on 20 June 2025)	54	Employee Representative Supervisor
WAN Ming (Supervisory Committee abolished on 20 June 2025)	54	Employee Representative Supervisor

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

3 Senior Management

The senior management of the Company during the six months ended 30 June 2025 are as follows:

Name	Age	Position
CHEN Wenjian	52	Executive Director and President (ceased to act on 13 March 2025)
SUN Cui	59	Chief Accountant
REN Hongpeng	51	Vice President
HUANG Chao	48	Vice President
GENG Shubiao	47	Vice President
KONG Dun	59	Vice President and Chief Engineer
MA Jiangqian	56	Vice President
HAN Yonggang	53	Vice President and Safety Production Director (appointed on 29 April 2025)
ZHAO Bin	56	Chief Economist
MA Yonghong	59	Secretary to the Board of Directors and Joint Company Secretary
TAM Chun Chung	52	Joint Company Secretary and Company Authorized Representative

4 Change of Directors, Supervisors and Senior Management

On 28 February 2025, the Company received a written resignation report from Mr. JIA Huiping as Shareholder Representative Supervisor and Chairman of the Supervisory Committee. Mr. JIA Huiping applied for resignation from the positions of Shareholder Representative Supervisor and Chairman of the Supervisory Committee of the Company due to his age (retirement).

On 13 March 2025, the Company received a written resignation report from Mr. CHEN Yun, Chairman of the Board of Directors, Executive Director and the legal representative of the Company. Mr. CHEN Yun applied to the Board of Directors for resignation from the positions of Executive Director, Chairman of the Board of Directors, Chairman and member of the Strategy and Investment Committee of the Board of Directors, Chairman and member of the Nomination Committee of the Board of Directors due to his age (retirement).

On 13 March 2025, at the eighth meeting of the sixth session of the Board of Directors of the Company, the Company considered and approved the Proposal on the Removal of Mr. CHEN Wenjian as President of China Railway Group Limited and Proposal on the Election of the Chairman of the Board of Directors of China Railway Group Limited, whereby Mr. CHEN Wenjian was removed from his position as President of the Company due to organizational arrangements and elected as the Chairman of the Board of Directors of the Company for a term of office until the expiry of the sixth session of the Board of Directors.

On 29 April 2025, at the 10th meeting of the sixth session of the Board of Directors of the Company, the Company considered and approved the Proposal on the Appointment of the Safety Production Director of China Railway Group Limited, appointing Mr. HAN Yonggang as Safety Production Director of the Company for a term commencing from the date of approval in this Board meeting until the expiry of the sixth session of the Board of Directors.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 20 June 2025, at the 2024 annual general meeting of the Company, the Company considered and approved the Proposal on Amendments to the Articles of Association of China Railway Group Limited and Abolition of the Supervisory Committee and the Proposal on Appointment of Mr. FANG Xiaobing (房小兵先生) as a Non-executive Director of the Sixth Session of the Board of Directors of China Railway Group Limited, approving the amendments to the Articles of Association and the abolition of the Supervisory Committee and that the Audit and Risk Management Committee of the Board of Directors shall exercise the powers and functions of the Supervisory Committee; and appointing Mr. FANG Xiaobing as a non-executive director of the Company for a term starting from the date on which his appointment is considered and approved at the annual general meeting of the Company until the expiration of the term of the sixth session of the Board of Directors.

On 16 July 2025, the Company held the thirteenth meeting of the sixth session of the Board of Directors, which considered and approved the Proposal on the Establishment of the Position of Chief Auditor and Appointment of the Chief Auditor, agreed to establish the position of Chief Auditor and include it in the senior management personnel stipulated in the Articles of Association, and agreed to appoint Mr. WANG Xinhua as the Chief Auditor of the Company for a term commencing from the date of approval in this Board meeting until the expiry of the sixth session of the Board of Directors.

5 Dealings of Securities by Directors and Supervisors

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors and supervisors. The Company has made enquiries to all directors and supervisors, and each director and supervisor confirmed that he/she has complied with the Model Code throughout the period from 1 January 2025 to 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

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, financial and merchandise trading, asset operation and resource utilization. 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.

1 Industry Development Overview

Engineering construction

(1) Domestic

2025 is the final year of the “14th Five-Year” Plan. In the first half of the year, China implemented a more proactive and effective macro policy, focusing on stabilizing employment, enterprises, the market and expectations. The national economy moved forward under pressure and maintained stable operation. In the first half of the year, fiscal and monetary policies were continuously intensified. On the one hand, the intensity of fiscal expenditure was increased, guarantees in key areas were strengthened, and ultra-long-term special treasury bonds were newly issued to continuously support the implementation of the “two priorities” projects and the “two new” policies. On the other hand, the issuance pace of local government special bonds was significantly accelerated, with both the issuance scale and the scope of use expanding simultaneously. The feature of coordinated efforts between traditional infrastructure and new infrastructure was obvious, and the deep integration of the “three major projects” and “new quality productive forces” promoted industry transformation. According to the data released by the National Bureau of Statistics, in the first half of the year, the fixed assets investments nationwide (excluding rural households) amounted to RMB24,865.4 billion, representing a year-on-year increase of 2.8%. Excluding real estate development investment, the fixed assets investments nationwide increased by 6.6%. In particular, the investment in infrastructure grew by 4.6% year on year. In the first half of the year, the total output value of the construction industry nationwide reached RMB13,674.5 billion, representing a year-on-year increase of 0.2%. The growth rate decreased by 4.4 percentage points compared with the same period of the previous year. The construction area of housing construction of the construction industry nationwide was 9.46 billion square meters, representing a year-on-year decrease of 12.0%. The investment in fixed assets of the national railways amounted to RMB355.9 billion, representing a year-on-year increase of 5.5%; the investment in highway construction of China amounted to RMB1,129.1 billion, representing a year-on-year decrease of 8.9%. As of the end of June, 54 cities nationwide had 330 urban rail transit lines in operation, with an operating mileage of 11,127.6 kilometers.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) International

Since the beginning of this year, the international environment has been complex and volatile. The international economic and trade order has been disrupted, and the instability and uncertainty increased. Coupled with the in-depth advancement of new round of technological revolution and industrial transformation, opportunities and challenges coexist for China's overseas engineering contracting enterprises. In the first half of 2025, China's overseas engineering contracting industry maintained a growth momentum. According to the statistics issued by the Ministry of Commerce, from January to June 2025, China's overseas engineering contracting projects achieved a turnover of RMB561.21 billion, representing a year-on-year increase of 9.3% (equivalent to US\$78.12 billion, representing an increase of 8.1%), and newly signed contracts amounted to RMB933.19 billion, representing an increase of 13.7% (equivalent to US\$129.9 billion, representing an increase of 12.4%). In terms of overseas contracting projects, Chinese enterprises completed turnover in countries under the "Belt and Road" initiatives of RMB465.73 billion, representing an increase of 8.7% (equivalent to US\$64.83 billion, representing an increase of 7.5%); and newly signed engineering contracts amounted to RMB814.87 billion, representing a year-on-year increase of 21% (equivalent to US\$113.43 billion, representing an increase of 19.6%).

Design and consulting

Being a technology- and intelligence-intensive and production-based service industry, design and consulting stays in the front of the engineering construction projects of various industries, including construction, transportation, electricity and water conservancy, serves the whole lifecycle of the construction projects, offers comprehensive technical and management services for the decision-making and implementation of projects, and plays an irreplaceable supporting role in enhancing the investment and social benefits of engineering projects, leading technological and industrial upgrading, and promoting the collaborative efficiency of the industrial chain. In recent years, the design and consulting industry has been confronted with a profound adjustment and transformation and development trend, and survey and design enterprises have been facing a coexistence of multiple pressures, including sluggish growth in traditional design and consulting business, pressure on cash flow of main businesses, and the need to consolidate the scale effect and profitability of new businesses. However, with the continuous advancement of national strategies such as green and low-carbon, digital China, urban-rural coordination and industrial upgrading, new demands have emerged in the design and consulting industry; there are more opportunities in infrastructure markets such as urban renewal and rural revitalization; the demand for new infrastructure construction such as big data, artificial intelligence, industrial internet and the Internet of Things is strong; and the infrastructure demands in fields such as smart transportation, smart cities, smart energy and smart security are also growing, which have provided more development opportunities for the industry.

Equipment manufacturing

In the first half of 2025, China's manufacturing industry continued to demonstrate resilience under the guidance of policies and market drive; the optimization of industrial structure and technological innovation proceeds in parallel; the industry accelerated its development towards high-end, intelligent, green and networked directions; and strategic emerging industries such as new energy, new materials and high-end equipment manufacturing continued to grow. According to the 2025 Government Work Report, new industrialization will be vigorously promoted and advanced, and manufacturing industries will be enlarged and strengthened; the development of service-oriented manufacturing will be accelerated, and the major technology and equipment research and development will be strengthened; major technological transformation and upgrading and large-scale equipment renewal projects in the manufacturing industry will be implemented in depth, and the "increasing varieties, improving quality and creating brands" in manufacturing industry will be further promoted; the "Artificial Intelligence +" action will continue to advance, better combining digital technology with manufacturing advantages and market advantages; and intelligent manufacturing equipment will be vigorously developed. At the end of July, seven ministries jointly issued the Guiding Opinions on Financial Support for New Industrialization, focusing on major strategic tasks of new industrialization, strengthening the capacity of financial services and the construction of long-term mechanisms, promoting the maintenance of a reasonable proportion of investment in manufacturing, accelerating the transformation of industries towards medium-high end, preventing intra-industry competition, and bringing new development opportunities to the industry.

Featured property

In the first half of 2025, the domestic real estate market remained in a period of adjustment. All regions and departments, in accordance with the decisions and deployments and requirements of the CPC Central Committee to promote the stabilization and recovery of the real estate market, introduced relevant measures based on local conditions to actively promote the stabilization and recovery of the real estate market. Under the stimulus of a package of new and existing policies, the transaction volume of the domestic real estate market has improved, and the year-on-year decrease in the sales of commercial housing has narrowed. According to the data released by the National Bureau of Statistics, from January to June, the property development investments nationwide amounted to RMB4,665.8 billion, representing a year-on-year decrease of 11.2%, of which, the investments in residential housing amounted to RMB3,577.0 billion, representing a year-on-year decrease of 10.4%. The sales area of newly-built commercial housing amounted to 458.51 million square meters, representing a year-on-year decrease of 3.5% which narrowed by 15.5 percentage points compared with the same period of last year and by 9.4 percentage points compared with the whole of last year, of which, the sales area of residential properties decreased by 3.7% year-on-year. The sales amount of newly-built commercial housing reached RMB4,424.1 billion, representing a year-on-year decrease of 5.5% which narrowed by 19.5 percentage points compared with the same period of last year and by 11.6 percentage points compared with the whole of last year. Market confidence and residents' willingness to purchase houses have recovered.

In July, the CPC Central Committee held the Fifth Central Urban Work Conference, clearly stating that China's urbanization is transitioning from a period of rapid growth to a period of stable development, and that urban development is shifting from a stage of large-scale incremental expansion to a stage focusing on improving the quality and efficiency of existing properties, demanding accelerated establishment of a new model for real estate development, steady advancement of the renovation of urban villages and dilapidated houses, and vigorous promotion of urban structure optimization, momentum transformation, quality improvement and green transformation by taking urban renewal as an important approach.

MANAGEMENT DISCUSSION AND ANALYSIS

Asset operation

In the first half of 2025, the fixed assets investments nationwide (excluding rural households) amounted to RMB24,865.4 billion, representing a year-on-year increase of 2.8%. Of which, the investment in infrastructure increased by 4.6% year-on-year, continuously playing a significant role in stabilizing economic growth and optimizing the supply structure. Infrastructure investment, with the core of “stabilizing growth, adjusting structure and benefiting people’s livelihoods”, promoted the upgrading of traditional infrastructure and the expansion of new infrastructure through diversified funding support, precise field layout and mechanism innovation, and guided private capital to participate in green and intelligent transformation, to form a sustainable and high-quality development path. In terms of investment structure, the feature of coordinated efforts of traditional and new infrastructure was obvious, and traditional fields such as transportation and water conservancy remained the focus of investment.

Resource utilization

In the first half of 2025, frequent changes in international trade policies, tense geopolitical situations, and cost pressures brought about by significant fluctuations in commodity prices, along with strict environmental, social and governance (ESG) regulations, posed major challenges to market access. The EU has strengthened the policy on the localization of key raw materials and planned to increase the proportion of domestic processing of battery metals such as lithium and cobalt; the Democratic Republic of the Congo has implemented an export quota system for cobalt ore; and China has launched a special campaign to crack down on the smuggling of strategic minerals, strengthened the control over strategic minerals, and maintained market order and resource security. Under the influence of multiple factors, the mineral resources industry presented a complex situation where opportunities and challenges coexisted with significant performance differences among various mineral types. In terms of prices, the average price of LME copper was USD9,400/ton, representing a year-on-year increase of 3.5%; the average price of MB cobalt was USD13.78/pound, representing a year-on-year increase of 4.3%; and the average annual price of molybdenum concentrate (45%-50%) was RMB3,547/ton unit, remaining basically unchanged year-on-year.

Financial and merchandise trading

(1) Financial

In the first half of 2025, the national financial system provided strong support for economic and social development. In terms of monetary policy, the central bank has consistently adhered to the main line of “moderately loose”, coordinated efforts in the aspects of total volume control, structural guidance and policy transmission, achieving a relatively balance between “stabilizing growth” and “promoting transformation”. 10 financial support policies launched in May, covering reserve requirement ratio cuts, interest rate reductions and the establishment of special re-lending facilities, has strengthened the timeliness and forward-looking nature of counter-cyclical adjustment. In terms of fiscal policy, since the beginning of this year, a more proactive fiscal policy has been implemented in advance, with increased spending intensity and accelerated spending progress, and strengthened investment in the areas that benefit people’s livelihood, boost consumption and increase momentum. In terms of the trust industry, at the beginning of the year, the National Financial Regulatory Administration, in collaboration with multiple departments, successively introduced several policies and established a “1+N” regulatory system. In terms of the trust companies, under the continuous high-pressure supervision, trust companies were facing higher requirements for risk prevention, business transformation and high-quality development. In terms of the finance companies, multiple factors including stricter regulation, exposure of capital occupation risks and intensified market competition have put forward higher requirements for compliance management, risk prevention and control, and business innovation capabilities of finance companies. Moreover, the policy orientation of serving the real economy provided business expansion space for the finance company, and digital transformation and the construction of treasury systems helped enhance industry competitiveness and promoted its achievement of high-quality development.

(2) Merchandise trading

China is the world's largest country in terms of trade in goods. In recent years, global unilateralism and protectionism have intensified, and the complexity, severity and uncertainty of the external environment have increased. According to customs statistics, China's import and export of goods trade in the first half of the year amounted to RMB21.79 trillion, representing a year-on-year increase of 2.9%. The scale of the domestic materials trade market continued to expand. The material trade industry is facing the trend of digital transformation, green supply chain construction and industry chain integration, and will continue to develop in the direction of diversification, complexity and high degree of interconnectivity.

Emerging businesses

China's "14th Five-Year Plan and 2035 Vision Outline" pointed out that we should coordinate the promotion of traditional and new infrastructure construction, to build a systematic, efficient and practical, intelligent and green, safe and reliable modern infrastructure system, accelerate the construction of new infrastructure, accelerate the construction of a strong transportation country, build a modern energy system, and strengthen water conservancy infrastructure construction. In the first half of the year, the construction of the national water network and the "two priorities" water conservancy tasks have been precisely and effectively implemented. The investment in water conservancy construction nationwide reached RMB532.9 billion, with 34,400 water conservancy projects of various types implemented and 18,800 new water conservancy projects commenced. Among them, 14 major water conservancy projects such as the governance of the Qinghai section of the mainstream of the Yellow River and the governance of the Zhangwei New River have been newly commenced. In terms of clean energy, driven by multiple factors such as coordinated advancement of energy security supply and green low-carbon development, continuous deepening of power system reform, and concentration of energy investment towards green and new, in the first half of the year, the newly installed capacity of renewable energy power generation in China was 268 million kilowatts, representing a year-on-year increase of 99.3%, accounting for approximately 91.5% of the newly installed power capacity. The installed capacity of renewable energy has continuously achieved new breakthroughs.

In the future, led by the new development concept, the construction of a new type of low-carbon, high-efficiency, digitally-intelligent, systematic, complete, safe and reliable infrastructure will further empower the high-quality development of China's economy and society. The central enterprises will accelerate the development of strategic emerging industries with greater efforts, promote more state-owned capital to be invested in the real economy and strategic emerging industries with foundations, empower the development of strategic emerging industries and new-quality productive forces with scientific and technological innovation, and further enhance the strategic role of the state-owned economy in building a new development pattern.

2 Business Development Overview

In the first half of 2025, the Group thoroughly implemented the decisions and deployments of the CPC Central Committee and the State Council, and earnestly implemented the work requirements of SASAC. Facing the still severe internal and external environment, the Company has focused on the goal of “one increase, one maintenance and four improvements (一增一穩四提升)”, consistently grasped and implemented the main line of “improving efficiency and creating value”, fully promoted the steady and long-term development of “high-quality China Railway”, and achieved phased results in all tasks.

Firstly, the construction of major projects was smoothly progressed, and the performance of duties and responsibilities was strong and effective. In the first half of the year, the Group has safely and efficiently advanced the performance of major engineering projects, and a large number of projects such as the Leshan-Xichang Expressway and Beijing-Yuxian Expressway have been officially opened to traffic and put into operation; a large number of key projects, including the Yichang Dongyan Road Yangtze River Road-rail Bridge, which has set three world records, and the main project of the Haimen North Station, the longest super-large and super-deep foundation pit underground high-speed railway station in China, have been successfully launched; the Luding Dadu River Special Bridge on the Sichuan-Tibet Railway, the world’s largest span mountain railway suspension bridge, has been successfully completed; the Group won the bid for the design and construction project of phase II of Tanzania-Burundi-DRC transnational standardized track gauge electrical railway, marking another major breakthrough in infrastructure field in Africa; a large number of overseas projects, including the Argentina Mariana Salt Lake Factory Project, the Sierra Leone Magnetite Plant Project and the Singapore Rail Transit Power Supply Project, have been completed, inspected and put into operation; and the Niue Island Ring Road Upgrade Project has been awarded the title of “small but beautiful” demonstration project of China’s overseas contracting engineering.

Secondly, newly signed orders showed a recovery trend, and market operations improved steadily. In the first half of the year, the Group adhered to the principle of prioritizing the market and emphasizing the operations. Supported by multiple favorable factors such as the approval and commencement of construction of major national projects and the guarantee of long-term treasury bonds, the Group seized market opportunities, accelerated operation pace, and promoted the transformation and implementation of operation achievements. The value of newly signed contracts was RMB1,108.69 billion, representing a year-on-year increase of 2.8%. The newly signed orders showed a recovery trend. Among them, the railway market grew by 12.4% year-on-year, maintaining a leading market share in advantageous fields such as long and complex special bridges, large-diameter shield tunnels, “four-electricity” systems for railways and urban rail transit, and high-end equipment; and the orders for the “second curve” such as water conservancy, energy and ecological environmental protection reached RMB143.26 billion. In terms of overseas orders, the value of newly signed overseas contracts was RMB124.87 billion in the first half of the year, representing a year-on-year increase of 51.6%. The value of newly signed contracts in overseas railway, housing construction, municipal engineering, design and consulting, and equipment manufacturing sectors all showed a year-on-year growth trend. The Company has successively won a series of representative projects, including the Tanzania-Burundi Railway, the China-Kyrgyzstan- Uzbekistan Railway and the Senegal Kédougou Lithium Mine.

Thirdly, independent innovation achieved breakthroughs, realizing two-way empowerment between the country and enterprises. In the first half of the year, the Group deeply implemented the spirit of the Central Enterprise Science and Technology Innovation Conference, actively undertook the key research and development tasks of national major science and technology projects, hosted the theme forum on “Empowering the Integrated Development of Civil Engineering through Scientific and Technological Innovation”, launched the “AI+” special action, established a research center for green and low-carbon infrastructure, and mapped out the path for digital and intelligent as well as green development. The Company is actively building itself into a high-growth leading technology enterprise. Two subsidiary factories have been selected as “National 5G Factories in 2024”, and one subsidiary company has been recognized as a “National Green Factory”. The first domestic intelligent inspection robot platform for railway catenary developed by the Company has been put into operation, which fills the gap in the field of robot maintenance and operation for electrified railway catenary in China, and is of great significance for promoting the intelligent and digital operation and maintenance mode of heavy-haul railways in China. The Bridge Professional Research and Development Center has overcome the complete set of technical difficulties for vibration reduction and wind resistance of high-speed rail bridges with a speed of 400 kilometers per hour. The Underground Space Center has mastered the intelligent construction technology for large-span underground caverns. The Tunnel Professional Research and Development Center has developed a plateau intelligent rock drilling jumbo that can operate stably in extreme environments at an altitude of 5,000 meters and a temperature of -30℃.

Fourthly, reform efforts were deepened and consolidated to continuously stimulate the internal vitality of enterprises. In the first half of the year, the Group steadily advanced the reform deepening and improvement actions, and was rated as an A-level enterprise in the 2024 key task assessment, and one of the top 30 central enterprises in terms of brand building capacity. Three subsidiaries were awarded the benchmark or excellent results in the assessment of SASAC’s “Science and Technology Reform” and “Double Hundred” actions. The Company deepened the corporate governance reform, continuously improved the supervision mechanism, dissolved the Supervisory Committee, set up the Audit and Risk Management Committee of the Board to undertake the functions and powers of the Supervisory Committee, and further play the supervisory role of the Board. The Company proactively responded to the in-depth adjustment of the industry, optimized and upgraded the market operation system, resolutely promoted the reform of regional headquarters, further solidified the main responsibility of secondary units for high-quality operation, and continuously stimulated the vitality of high-quality operation. The Company also accelerated the reshaping of the assessment and distribution system, adhered to the integrated advancement of “standardization, incentives and inclination”, gave full play to the decisive role of operating performance assessment results in salary distribution, closely linked total wages with economic benefits and labor productivity of enterprises, and promoted the effective connection between the performance assessment of secondary enterprises and the assessment of the management members. The Company deepened the reform of the building of industrial worker team, optimized the assessment and certification of vocational skills levels, and focused on cultivating first-class industrial technical workers.

In the second half of the year, the Group will continue to focus on high-quality development as its top priority, concentrate on the fundamental requirements of enhancing core functions and improving core competitiveness, further strengthen the clear orientation of the “five values”, resolutely and effectively serve the overall national strategy, actively respond to the uncertainties of external situation with the certainty of our own work, spare no effort to complete all the annual goals and tasks, improve the quality of operations, strengthen risk control, adhere to the concept that “cash is king”, intensify efforts in debt collection and recovery, and promote the steady and long-term development of high-quality China Railway.

In the first half of 2025, the value of newly signed contracts of the Group was RMB1,108.69 billion, representing a year-on-year increase of 2.8%, of which, the value of newly signed contracts of domestic business amounted to RMB983.82 billion, representing a year-on-year decrease of 1.2%; the value of newly signed contracts of overseas business amounted to RMB124.87 billion, representing a year-on-year increase of 51.6%. As at the end of the reporting period, the value of the Group’s contract backlog was RMB7,418.77 billion, representing an increase of 7.7% from the end of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Value of New Contracts

Unit: '00 million Currency: RMB

Business type	First half of 2025	First half of 2024	Year-on-year increase/decrease
Engineering construction	7,392.4	7,802.2	-5.3%
Design and consulting	126.6	144.2	-12.2%
Equipment manufacturing	233.6	294.5	-20.7%
Featured property	183.5	132.5	38.5%
Asset operation	1,286.9	245.1	425.1%
Resource utilization	145.0	138.3	4.8%
Financial and merchandise trading	286.3	364.9	-21.5%
Emerging businesses	1,432.6	1,663.3	-13.9%
Total	11,086.9	10,785.0	2.8%
Including: Domestic	9,838.2	9,961.2	-1.2%
Overseas	1,248.7	823.8	51.6%

Engineering construction

Engineering construction is the core of the Group, the foundation for consolidating the leading position of the Group in the construction industry and enhancing brand strength, an important pillar for improving the market influence, and a key field for improving the economic benefits and promoting the high-quality development of the Group. The engineering construction business of the Group involves railway, highway, municipal works, housing construction, urban rail transit, and other engineering fields, covering more than 100 countries and regions in the world. The Group has special-grade qualifications for general contracting of construction of railways, highways, municipal public engineering, building engineering, port and waterway engineering, water conservancy and hydropower engineering. The basic operation mode is to obtain orders through market competition at home and abroad, complete the tasks of survey, design, procurement, construction and operation of projects in accordance with the contracts by means of general engineering contracts and general construction contracts, etc., and is responsible for the quality, safety and construction period of the contracted project.

The Group has always been a leader in China's infrastructure construction industry and one of the largest construction contractors in the world. As of the end of the reporting period, the Group had 4,122 qualifications and permits of various kinds, including 84 special-grade qualifications for construction general contracting, 423 grade A qualifications for construction general contracting, 4 general design qualifications, 7 general survey qualifications, 2 general supervision qualifications, 2 installation permits for long-distance pipeline GA1 and 1 GA1 design permit. 84 special-grade qualifications for construction general contracting include 18 general contracting qualifications for railway construction at special grade, accounting for over 50% of the total number of general contracting qualifications for railway construction at special grade in China; 34 general contracting qualifications for highway construction at special grade; 21 general contracting qualifications for engineering construction at special grade; 9 general contracting qualifications for municipal public engineering at special grade; 1 general contracting qualification for port and waterway construction at special grade; and 1 general contracting qualification for water conservancy and hydropower construction at special grade. The Group has 3 national laboratories (the National Engineering Laboratory of High Speed Railway Construction Technology, National Key Laboratory of Tunnel Boring Machine and Intelligent Operation and Maintenance, and National Key Laboratory of Bridge Intelligence and

Green Construction) (engineering research center), 10 postdoctoral workstations, 1 national local joint research center (national and local joint engineering research center for the research and application of digital rail transit technologies), 52 provincial and ministerial research and development centers (laboratories), representing the most advanced technological level in terms of railway, bridges, tunnels and rail transit construction in China. The Group is one of the major infrastructure construction forces in the construction of the “Belt and Road”. It is the main contractor of the representative projects along the “Belt and Road” including China-Laos Railway, the Indonesian Jakarta-Bandung High-speed Railway, the Budapest-Belgrade Railway, the Padma Bridge in Bangladesh, the Chancay Tunnel in Peru and the China-Kyrgyzstan-Uzbekistan Railway.

During the reporting period, the value of new contracts for the engineering construction business of the Group was RMB739.24 billion, representing a year-on-year decrease of 5.3%. From a business segment perspective, the value of new contracts for railway construction business amounted to RMB151.23 billion, representing a year-on-year increase of 12.4%; the value of new contracts for highways construction business amounted to RMB49.78 billion, representing a year-on-year decrease of 14.3%; the value of new contracts for municipal works business amounted to RMB74.82 billion, representing a year-on-year increase of 5.5%; the value of new contracts for urban rail business amounted to RMB23.68 billion, representing a year-on-year decrease of 12.2%; the value of new contracts for housing construction business amounted to RMB365.30 billion, representing a year-on-year decrease of 17.1%; and the value of new contracts for other businesses amounted to RMB74.43 billion, representing a year-on-year increase of 52.2%.

Design and consulting

Design and consulting is the core business segment of the Group, an important engine for leading the upgrading of technology and industry of the Group and driving the development of other businesses, an important basis for enhancing the brand influence of the Group, and a key support for promoting industrial coordination and improving the innovation ability of the whole industrial chain. Our design and consulting business covers the whole process of basic construction services such as research, planning, consulting, cost, survey and design, supervision, general engineering contracting and product industrialization, mainly involving industries such as railways, urban rail transit, highways, municipal works, housing construction, water transportation, water conservancy, hydropower survey and design. The Company proactively expands into new industries and new fields such as mountain geared rail, suspended air rail, low and medium-speed and high-speed magnetic levitation, new infrastructures, intelligent transportation, civil airports, ports and wharfs, power, energy conservation and environmental protection. The basic operation mode is to obtain design and consultancy orders through market competition at home and abroad, and provide design consultancy and relevant services of engineering projects as agreed in the contract. Meanwhile, the Group continues to explore innovative business models for its design consultancy business, fully exerting its strengths in the planning of urban infrastructures and transportation facilities, relying on the dual driving forces of market pulling and spatial expansion, comprehensively enhancing the capability of providing integrated services along the industry chain, and facilitating the synergistic development of the entire industry chain.

MANAGEMENT DISCUSSION AND ANALYSIS

As a backbone enterprise in China's design and consulting industry, the Group has played an important guiding and leading role in the field of engineering construction. The Group has been deeply involved in the planning, design and construction of highland railroads, large-span bridges, complex tunnels and important water conservancy. With advanced design concepts and exquisite technologies, the Group has successfully built a number of bridges with world-wide influence, broken through a series of "high, large, difficult and new" tunneling technologies, and overcame a number of world-wide problems, built a intertwined transportation networks and greatly promoted interconnectivity between regions. As of the end of the reporting period, the Group has won a total of 154 National Excellent Engineering Survey and Design Awards, 110 National Excellent Engineering Consulting Awards, and 35 International Engineering Consulting (FIDIC) and Engineering Design Awards. The Group ranked 28th and 139th among the ENR 150 largest design companies and 225 largest international design companies in the world in 2024 respectively. During the reporting period, the Group's design and consulting business recorded a newly signed contract value of RMB12.66 billion, representing a year-on-year decrease of 12.2%.

Equipment manufacturing

Equipment manufacturing is the core segment of the Group, an important carrier for practicing the "three transformations" and promoting the high-end brand of the Group, an important force for boosting the transformation and upgrading of the Group, and an important support for reinforcing and upgrading weak links in the industrial chains as well as improving the core competitiveness. The Group'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 Group 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 competitiveness in scientific and technological innovation, core technology strength, production and manufacturing level, brand awareness and other aspects. The Group 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 Group develops and manufactures tunnel boring machines, special equipment for tunnel mechanization, engineering construction machinery, turnouts, steel bridges, etc. with market share continuously maintaining at the leading position in 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 is able to provide a complete set of solutions for prefabricated buildings.

As a leading manufacturer of high-end equipment for engineering construction, the Group continuously enhances its innovation-driven development capability and makes new breakthroughs in the new-type rail transit industry and new-type technology-based environmental protection industry. The Group holds the second-largest global market share in overseas markets of tunnel boring machines, while its medium and large-diameter shield machines have gained high recognition from customers in the European high-end market. During the reporting period, affected by the declining demand for investment in traditional infrastructure field, the amount of newly signed contracts for the equipment manufacturing business of the Group was RMB23.36 billion, representing a year-on-year decrease of 20.7%.

Property development

Featured property is a key development segment of China Railway, an important carrier for the diversification of China Railway's brand, and an important platform for entering the urban construction market, for transforming into an urban comprehensive development and operation operator, and for transforming into "real estate + infrastructure" and "real estate + industry" based on the advantages of its main business. It is an important support for optimizing business layout and expanding market areas; and an important platform for optimizing the business layout and expanding the market area. The Group's property development business is capable of integrating and linking the entire real estate industry chain, including investment and financing, design and research and development, construction, commercial operation and property services, and has rich experience in development and operation, and is capable of providing a comprehensive package of solutions and services for integrated urban development and operation. The Group has established professional real estate development companies including China Railway Real Estate and China Railway Construction, with business covering a wide range of areas including secondary development, primary land consolidation, urban village renovation, guaranteed housing, urban renewal, properties above subway stations, shantytown renovation and old building renovation, cultural tourism and health care properties, and industrial properties. Since the "14th Five-Year Plan", the Group has proactively adapted to the significant changes in the supply and demand relationship in the real estate market and the guidance of the national policy, fully, accurately and comprehensively adhered to the new development concept, insisted on being market demand-oriented, focused on the advancement of the national development strategy and the development of the national economy and society, and continued to adjust the structure, change the mode, promote the special features, refine the management, prevent the risks, and strengthen its brand; actively created featured properties, focused on changing from traditional commercial real estate development to a comprehensive development mode integrating multi-industry, multi-product and multi-functionality, and focused on becoming a first-class comprehensive urban development operator in China, and strived to build a real estate brand with China Railway's characteristics and core competitiveness in the real estate development business.

In the first half of 2025, the Group's real estate business focused on cash flow security, vigorously implemented comprehensive commercial management, continued to accelerate destocking, optimized investment layout, promoted the research and construction of China Railway's "quality house", adhered to the "sales-driven" and "income-based" principles, scientifically controlled the pace of investment and development, advanced investment recovery, and maintained stable and healthy development of real estate development business. During the reporting period, the Group's real estate business achieved sales of RMB18.35 billion, representing a year-on-year increase of 38.5%; achieved sales area of 1.036 million square meters, representing a year-on-year increase of 9%; commenced construction area of 866,000 square meters, representing a year-on-year increase of 76%; completed construction area of 1.727 million square meters, representing a year-on-year decrease of 6%; and new land reserves of 256,000 square meters, representing a year-on-year increase of 59%. As at the end of the reporting period, the Group's land reserve for development amounted to 11.80 million square meters.

MANAGEMENT DISCUSSION AND ANALYSIS

Asset operation

The Group's asset operation business is to acquire projects and obtain concession rights based on the integrated advantages of "investment, construction and operation", and to provide first-class asset operation services in the PRC during the concession period. The scope of services mainly includes providing operation, maintenance and asset management for infrastructure investment projects, covering three modes of independent operation, joint operation and entrusted operation. The Group has established the "China Railway Expressway" and "China Railway Water" brands in the areas of highways and water supply and environmental protection, and has established a scientific and sound operation and management system in the areas of underground pipeline corridors and rail transportation. At present, the Group has invested in a large number of infrastructure projects, covering 10 types of projects such as rail transit, expressways, underground pipe corridors, water and environmental protection, municipal roads, sponge cities and industrial parks across most cities and regions in China, with the operation period ranging from 10 to 40 years. As of the end of the reporting period, the Group has led the implementation and operation of approximately 280 kilometers of urban rail transit, mainly including Xi'an Metro Line 9, Chengdu Metro Line 9 and Chongqing Metro Line 4; led the implementation and operation of approximately 2,900 kilometers of expressways, mainly are 24 expressways including Yibin-Yiliang Expressway, Shantou-Jiexi Expressway, and Xin'an-Yichuan Expressway; led the implementation and operation of approximately 200 kilometers of urban comprehensive pipe corridors, mainly Haikou underground comprehensive pipe corridor, Tangshan underground comprehensive pipe corridor and Pingtan Comprehensive Experimental Zone underground comprehensive pipe corridor; led the implementation and operation of water projects with a daily water treatment of 1.54 million tons, mainly including Ma'anshan Second Sewage Treatment Plant Expansion and Upgrading Project, Lanzhou Salt Field Sewage Treatment Plant and Expansion Franchise Project.

Resource utilization

The Group'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, Comagnie 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 Group 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 Group 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. In recent years, the Group 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 the first half of 2025, the Group's production and operation of mineral resources business was sound. The Company produced 148,789 tons of cathode copper, 2,830 tons of cobalt, 7,103 tons of molybdenum, 5,069 tons of lead, 12,774 tons of zinc and 19 tons of silver.

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Basic Information on Mining Resource Projects

No.	Project name	Type	Grade	Mining resource		Planned total investment (RMB'00 million)	Accumulated investment of the project (RMB'00 million)	Production quantity in the reporting period (tons)	Project progress
				Resource/ Reserve (tons)	Equity ratio (%)				
1	Luming Molybdenum Mine, Yichun City of Heilongjiang	Molybdenum	0.09%	595,765.90	83%	60.17	60.26	7,103	In normal production
		Copper	/	/				620	
2	SICOMINES Copper-Cobalt Mine	Copper	3.15%	6,459,420.85	41.72%	45.86	30.92	130,673	In normal production
		Cobalt	0.25%	520,226.34				2,830	
3	Luishia Copper-Cobalt Mine	Copper	2.18%	475,433.72	67%	21.38	21.60	8,236	In normal production
		Cobalt	0.08%	18,296.47				0.00	
4	MKM Copper-Cobalt Mine	Copper	2.08%	31,048.66	75.2%	11.95	12.35	9,260	In normal production
		Cobalt	0.21%	3,158.95				0.00	
5	Wulan Lead and Zinc Mine, Xinxin Company	Lead	1.15%	152,950.26	100%	15.4	15.4	5,069	In normal production
		Zinc	2.89%	385,146.82				12,774	
		Silver	56.49 g/t	752.77				19	
6	Muhaer Lead and Zinc Mine, Xinxin Company	Lead	0.63%	41,141.22	100%	–	–	–	Under exploitation
		Zinc	2.37%	154,709.38					
		Silver	118.17g/t	770.15					
7	Wurile 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	7.00%	89,697.1	100%	–	–	–	Ceased production
		Zinc	5.09%	65,192.61					
		Silver	200.39g/t	256.84					

Financial and merchandise trading

(1) Financial business

When carrying out financial business, the Group has strictly implemented the State regulatory policies and adhered to the overall guidelines of integration of industry and finance. Centering on the target of serving internal financial needs, promoting the development of principal construction business and creating value and adhering to the principle of giving priority to benefits in the allocation of financial resources, the Group's financial business segment has effectively promoted the flow of financial resources to efficient assets, while firmly holding the bottom line of avoiding financial risks. The Group holds the financial licenses for trust, finance company, and public fund, and is approved to engage in such financial business as assets management, private equity fund, insurance brokerage, finance lease, and commercial factoring, which the SASAC allows to be conducted in a prudent and regulated manner. The Group 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 Co., Ltd. The three companies actively explore new ways to integrate industry and finance to serve internal financial needs.

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(2) Merchandise trading

The merchandise trading business of the Group represents the trading business carried out by the trading enterprises at all levels of the Group relying on the demand advantage, product advantage and resource channel advantage from centralized purchase and supply based on the main business of the Group. It mainly serves the internal trading demand of the Group and provides external services in an appropriate manner. China Railway Resources Group Co., Ltd., the Group's wholly-owned subsidiary, 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 Group, 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. China Railway Material Trade Co., Ltd. carries out centralized procurement and supply of major materials at the Company level, and supplies materials to other domestic construction enterprises. During the reporting period, the amount of newly signed contracts for the financial and merchandise trading business of the Group was RMB28.63 billion, representing a year-on-year decrease of 21.5%.

Emerging businesses

The Group's emerging business, encompassing both "second curve" emerging business and strategic emerging industries (including future industries), is the China Railway's key development segment. Emerging business is crucial for aligning with national strategies, building a modern industrial system, accelerating the formation of new productive forces, and ensuring the Group's sustainable development. They also play a vital role in establishing a competitive advantage for the future. In terms of the "second curve", the Group has been closely centering on national strategies such as the "3060" dual carbon goals and "two priorities", focused on key regions and emerging fields, adjusted the industrial structure with market orientation, guided the business model with scientific and technological innovation, concentrated its efforts in the fields of water conservancy and hydropower, clean energy, ecological and environmental protection. In terms of strategic emerging industries, the Group is focusing on four major areas: artificial intelligence, industrial software, high-end machine tools, and future space; and intensified its development efforts in high-end equipment manufacturing and energy conservation and environmental protection (green building), strengthened its industrial layout in new materials and service industries in relation to strategic emerging 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. In the first half of the year, the Group won the bids for Zhundong Water Supply Phase II, Three Gorges Energy's Fujian Putian Pinghai Bay 400MW Offshore Wind Farm DE Area Project, Terminal Area and GTC Ancillary Works of Kunming Changshui International Airport Construction and Expansion Project and other national and industry key projects. During the reporting period, the amount of newly signed contracts for the emerging business of the Group was RMB143.26 billion, representing a year-on-year decrease of 13.9%.

3 Scientific Research Investment and Technological Achievements

As a large construction central enterprise group, the Company took the initiative to undertake new major national innovation projects, deeply integrated into the national innovation system, coordinated and promoted major special tasks such as critical projects, the construction of original technology sources, future industries (deep space), and large-scale application of Beidou, and accelerated the cultivation and expansion of new quality productive forces. The Company conscientiously implemented the research and development tasks of green and low-carbon original technologies for infrastructure facilities, focused on the research and development of key technologies in strategic emerging industries and future space industries, strived to become the leader of the modern industrial chain, and better play the role of scientific and technological innovation support and guidance, improvement of core competitiveness and enhancement of core functions as a central enterprise. Three major special projects of the first batch including the Research on Multi-source Heterogeneous Green and Low-carbon Traction Power Supply System, the green and low-carbon original technology of infrastructure facilities focusing on technical bottlenecks and industrial needs in the field of green and low-carbon technology, will achieve technological breakthroughs in design, construction, operation and maintenance, equipment, building materials, standards, accounting, etc., and solve many technical problems in the field of low-carbon rail transit construction.

In the future, the Company's R&D investment will continue to vigorously support the research and development of green and low-carbon original technologies for infrastructure facilities, the construction of strategic emerging industries and future space industries, focus on the main responsibilities, main businesses and key areas, and continue to strengthen public relations in the fields of long-span bridges, deep-sea tunnels, railway electrification and high-end equipment, so as to form more "industry-leading" and "irreplaceable"; the Company will focus on the realizing of achievements, firmly establish the concept of "quality products are useful", highlight applicability, practicality and generalizability, establish a high-value scientific and technological achievement library in a hierarchical and classified manner, smoothen the internal scientific and technological achievements transformation and application channels, highlighting the Company's responsibilities as a state-owned enterprise in the field of infrastructure engineering.

4 Consolidated Results of Operations

A comparison of the financial results for the six months ended 30 June 2025 and the corresponding period of 2024 is set forth below.

Revenue

In the first half of 2025, the Group's revenue totaled RMB512.502 billion, representing a year-on-year decrease of 5.9% compared to the same period of 2024, mainly due to the decrease in revenue from infrastructure construction business. Among which, the revenue generated from overseas was RMB36.971 billion, representing an increase of 8.3% from the same period of last year.

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), employee compensation and benefits and depreciation and amortization expenses. For the six months ended 30 June 2025, the Group's cost of sales and services amounted to RMB470.082 billion, representing a year-on-year decrease of 5.6%. In the first half of 2025, the Group achieved a gross profit of RMB42.420 billion, representing a year-on-year decrease of 9.3%, the gross profit margin was 8.3%, representing a decrease of 0.3 percentage point from 8.6% for the same period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

The Group's other income primarily consists of interest income from other financial assets at amortised cost and subsidies from government. For the six months ended 30 June 2025, the Group's other income was RMB2.227 billion, representing an increase of 49.7% from the same period of last year. It was mainly due to the increase in interest income from other financial assets at amortised cost.

Other expenses

The Group's other expenses primarily includes penalty cost, lawsuit expenditure and others. For the six months ended 30 June 2025, the Group's other expenses amounted to RMB0.482 billion, representing a decrease of 16.2% from the same period of last year, mainly due to the decrease in other expenses.

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, contract assets and other financial assets at amortised cost. For the six months ended 30 June 2025, the Group's net impairment losses on financial assets and contract assets was RMB2.073 billion, representing an increase of 18.1% from the same period last year. It was mainly due to the increase in impairment losses on trade and other receivables.

Other gains and losses, net

The Group's net other gains and losses mainly include gains and losses on disposal and/or write-off of right-of-use assets and property, plant and equipment, foreign exchange gains/losses, and gains and losses on changes in the fair value of financial assets/liabilities through profit and loss. In the first half of 2025, net other losses was RMB14.00 million (in the first half of 2024: net other gains of RMB182 million), which mainly includes losses of RMB100 million on changes in the fair value of financial assets/liabilities through profit and loss and foreign exchange gains of RMB73 million.

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 and bills receivables which were transferred in accordance with asset-backed medium-term notes ("ABN") and asset-backed securities ("ABS") issuance, non-recourse factoring agreements and bills receivables discounting arrangements. In the first half of 2025, the Group's losses from derecognition of financial assets at amortised cost was RMB1.545 billion, representing a decrease of 6.8% from the same period last year. For the six months ended 30 June 2025, the Group transferred trade receivables and long-term trade receivables of RMB29.233 billion and RMB1.502 billion under the issuance of ABN and ABS, respectively (in the first half of 2024: RMB26.922 billion and nil, respectively) and transferred trade receivables of RMB10.226 billion under non-recourse factoring agreements (in the first half of 2024: RMB0.641 billion).

Selling and marketing expenses

The Group's selling and marketing expenses primarily consist of employee compensation and benefits, distribution and advertising costs. For the six months ended 30 June 2025, the Group's selling and marketing expenses was RMB2.851 billion, representing a decrease of 2.0% from the same period of last year. It was mainly due to the decrease in sales and marketing expenses of real estate business. In the first half of 2025, selling and marketing expenses accounted for 0.6% of total revenue, representing an increase of 0.1 percentage point as compared to 0.5% for the same period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortization of its assets related to administration. For the six months ended 30 June 2025, the Group's administrative expenses was RMB11.194 billion, representing a decrease of 13.3% from the same period of last year. It was mainly due to the continued promotion of "cost reduction and efficiency improvement", strengthening management and expense control, and reducing expenses. In the first half of 2025, administrative expenses accounted for 2.2% of total revenue, representing a decrease of 0.2 percentage point as compared to 2.4% for the same period of last year.

Research and development expenditures

For the six months ended 30 June 2025, the Group's research and development expenditures was RMB8.110 billion, representing a decrease of 12.1% from the same period of last year. The Group's investment in research and development continued to remain at a high level.

Finance costs, net

For the six months ended 30 June 2025, the Group's net finance costs (finance costs less finance income) was RMB2.922 billion, representing an increase of 126.5% from the same period of last year. It was mainly due to the decrease in finance income from trade receivables and contract assets.

Profit before income tax

For the six months ended 30 June 2025, the Group's profit before income tax amounted to RMB16.823 billion, representing a decrease of 14.0% from RMB19.560 billion for the corresponding period of last year.

Income tax expense

For the six months ended 30 June 2025, the Group's income tax expense was RMB3.681 billion, representing a decrease of 5.4% from the same period of last year. By excluding the effect of land appreciation tax, the effective income tax rate of the Group was 19.8% for the first half of 2025, representing an increase of 2.3 percentage points from 17.5% for the same period of last year.

Profit for the period attributable to owners of the Company

For the six months ended 30 June 2025, the profit for the period attributable to owners of the Company amounted to RMB11.827 billion, representing a decrease of 17.2% from RMB14.279 billion for the same period of last year. In the first half of 2025, the profit margin of the profit for the period attributable to owners of the Company was 2.3%, representing a decreased of 0.3 percentage point from 2.6% for the same period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

5 Segment Results

The revenue and results of each segment of the Group's business for the six months ended 30 June 2025 are set forth in the table below.

Business segment	Revenue <i>RMB million</i>	Growth rate <i>(%)</i>	Profit/(loss) before income tax		Profit/(loss) margin before income tax ¹ <i>(%)</i>	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>			
Infrastructure construction	448,386	-7.5	15,814	-7.9	3.5	83.6	87.0
Design and consulting	9,415	0.7	640	27.7	6.8	1.8	3.4
Equipment manufacturing	16,149	-2.6	825	-8.1	5.1	3.0	4.6
Property development	15,816	6.6	(1,443)	N/A	-9.1	3.0	-7.9
Other businesses	46,223	-5.4	2,337	-24.8	5.1	8.6	12.9
Inter-segment eliminations and adjustments	(23,487)		(1,350)				
Total	512,502	-5.9	16,823	-14.0	3.2	100.0	100.0

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

Infrastructure construction

Revenue from the operation of the Group's infrastructure construction business mainly derives from railway, highway and municipal works construction. Revenue from the operation of the infrastructure construction business continues to account for a high percentage of total revenue of the Group. In the first half of 2025, the revenue from the infrastructure construction business accounted for 83.6% of the total revenue of the Group (in the first half of 2024: 84.4%). In the first half of 2025, the Group's revenue from the infrastructure construction business was RMB448.386 billion, representing a decrease of 7.5% as compared to the same period of last year. Gross profit margin and profit margin before income tax of the infrastructure construction business for the first half of 2025 was 6.9% and 3.5% respectively (in the first half of 2024: 7.5% and 3.5% respectively). The decrease in gross profit margin was mainly due to the decrease in profitability of railway and municipal works businesses.

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Survey, design and consulting services

Revenue from the operation of the survey, design and consulting services business primarily derives from providing a full range of survey, design and consulting services, research and development, feasibility studies and compliance certification services on infrastructure construction projects. In the first half of 2025, the Group's revenue from survey, design and consulting services business was RMB9.415 billion, increased by 0.7% as compared to the same period of last year. In the first half of 2025, gross profit margin and profit margin before income tax was 25.0% and 6.8% respectively (in the first half of 2024: 26.1% and 5.4% respectively). The decrease in gross profit margin was mainly due to the relatively low profitability of certain design projects with high design difficulty and high investment cost; while the increase in profit margin before income tax was mainly due to the decrease in management expenses and research and development expenditures.

Engineering equipment and component manufacturing

Revenue from the operation of 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 engineering machinery. In the first half of 2025, the Group's revenue from the engineering equipment and component manufacturing business was RMB16.149 billion, representing a decrease of 2.6% as compared to the same period of last year. Gross profit margin and profit margin before income tax was 18.3% and 5.1% respectively (in the first half of 2024: 18.4% and 5.4% respectively), basically remained at the same level as compared to same period of last year.

Property development

In the first half of 2025, revenue of the Group's property development business was RMB15.816 billion, representing an increase of 6.6% as compared to the same period of last year. Gross profit margin and profit margin before income tax was 8.3% and -9.1% respectively (in the first half of 2024: 11.4% and -7.9% respectively). The decrease in gross profit margin and profit margin before income tax was mainly due to the downward pressure on selling prices resulting from continuous decline of real estate market.

Other businesses

In the first half of 2025, the Group has progressively implemented the limited and interrelated diversification strategy, and revenue of other businesses was RMB46.223 billion, representing a decrease of 5.4% as compared to the same period of last year. In the first half of 2025, gross profit margin and profit margin before income tax was 17.5% and 5.1% respectively (in the first half of 2024: 15.0% and 6.4% respectively). Among which: ① revenue from infrastructure operation business increased year-on-year by 2.0% to RMB2.241 billion; ② revenue from mining business decreased year-on-year by 0.8% to RMB4.030 billion; ③ revenue from merchandise trading business decreased year-on-year by 9.5% to RMB28.380 billion; ④ revenue from financial business increased year-on-year by 0.8% to RMB2.247 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

6 Cash Flow

For the six months ended 30 June 2025, the net cash outflow from operating activities of the Group amounted to RMB79.630 billion, an increase of net cash outflow from operating activities of RMB69.332 billion for the first half of 2024. It was mainly because some owners of the engineering projects delayed their payment. At the same time, in order to ensure the orderly advancement of production and operations, the Group abided by the contract and paid suppliers in a timely manner. For the six months ended 30 June 2025, the net cash outflow from investing activities of the Group amounted to RMB13.078 billion, a decrease of net cash outflow from investing activities of RMB22.062 billion for the first half of 2024. It was mainly due to the increase in cash received from disposal of investment. For the six months ended 30 June 2025, the net cash inflow from financing activities of the Group amounted to RMB51.978 billion, an increase in the net cash inflow from financing activities of RMB50.809 billion for first half of 2024. It was primarily due to the increase in investment from external shareholders of subsidiaries.

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 the first half of 2025 was RMB22.593 billion (mainly including RMB13.622 billion for purchase of intangible assets and RMB8.307 billion for purchase of fixed assets), representing a decrease of 10.7% as compared to RMB25.309 billion for the same period of last year.

Working capital

	As at	
	30 June 2025 <i>RMB million</i>	31 December 2024 <i>RMB million</i>
Inventories	83,567	72,372
Trade and bills receivables	464,512	359,446
Trade and bills payables	826,081	773,169
Turnover of inventory (<i>days</i>)	30	22
Turnover of trade and bills receivables (<i>days</i>)	145	86
Turnover of trade and bills payables (<i>days</i>)	306	233

As at 30 June 2025, the Group's balance of inventories was RMB83.567 billion, increased by 15.5% as compared to the end of 2024. The inventory turnover days for the first half of 2025 were 30 days, representing an increase from 22 days for the year of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Trade and bills receivables

As at 30 June 2025, the Group's trade and bills receivables was RMB464.512 billion, an increase of 29.2% from RMB359.446 billion as at the end of 2024. Such increase was mainly due to the normal increase in balance of trade and bills receivable resulting from the increase in operating scale and slow-down in repayment from certain engineering project owners. The turnover days of trade and bills receivables increased from 86 days for 2024 to 145 days for the first half of 2025. According to the ageing analysis of the trade and bills receivables, the ageings of 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 14.6% (31 December 2024: 17.4%) of the total amount, reflecting 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 30 June 2025 and 31 December 2024, based on invoice date.

	30 June 2025 <i>RMB million</i>	As at 31 December 2024 <i>RMB million</i>
Less than 1 year	396,896	297,064
1 year to 2 years	28,328	24,032
2 years to 3 years	8,935	13,509
3 years to 4 years	10,908	7,323
4 years to 5 years	3,579	3,036
More than 5 years	15,866	14,482
Total	464,512	359,446

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. As at 30 June 2025, the Group's trade and bills payables were RMB826.081 billion, an increase of 6.8% from the end of 2024. The turnover days of trade and bills payables for the first half of 2025 were 306 days, an increase of 73 days from 233 days for 2024. According to the ageing analysis of the trade and bills payables, the ageings of 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 7.9% (31 December 2024: 6.3%) of the total amount.

The following table sets forth the ageing analysis of the Group's trade and bills payables as at 30 June 2025 and 31 December 2024, based on invoice date.

	30 June 2025 <i>RMB million</i>	As at 31 December 2024 <i>RMB million</i>
Less than 1 year	760,438	724,349
1 year to 2 years	36,316	26,926
2 years to 3 years	12,992	8,907
More than 3 years	16,335	12,987
Total	826,081	773,169

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7 Borrowings

The following table sets forth the Group's total borrowings as at 30 June 2025 and 31 December 2024.

	30 June 2025 RMB million	As at 31 December 2024 RMB million
Bank borrowings		
Secured	165,080	145,510
Unsecured	322,206	297,425
Long-term debentures, unsecured	487,286	442,935
Other borrowings	62,203	50,907
Secured	1,133	1,048
Unsecured	25,454	23,077
Total	576,076	517,967
Long-term borrowings	406,565	373,736
Short-term borrowings	169,511	144,231
Total	576,076	517,967

As at 30 June 2025, the Group's long-term borrowings was RMB406.565 billion, representing an increase of 8.8% from the end of 2024 while the Group's short-term borrowings was RMB169.511 billion, representing an increase of 17.5% from the end of 2024, mainly due to the fulfillment of liquidity needs.

Bank borrowings carry interest rates ranging from 1.00% to 11.20% (31 December 2024: 0.50% to 11.20%) per annum. Long-term debentures carry fixed interest rates ranging from 1.86% to 4.50% (31 December 2024: 2.18% to 4.80%) per annum. Other borrowings carry interest rates ranging from 2.36% to 4.80% (31 December 2024: 2.65% to 4.80%) per annum. In the first half of 2025, the Group's average cost of financing was 2.92%, representing a year-on-year decrease of 0.54 percentage point.

The following table sets forth the maturity of the Group's borrowings as at 30 June 2025 and 31 December 2024.

	30 June 2025 RMB million	As at 31 December 2024 RMB million
Less than 1 year	169,511	144,231
1 year to 2 years	50,777	51,914
2 years to 5 years	104,225	88,745
More than 5 years	251,563	233,077
Total	576,076	517,967

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025 and 31 December 2024, the Group's bank borrowings comprised floating-rate bank borrowings amounting to RMB332.021 billion and RMB302.796 billion, respectively. The Group's borrowings are primarily denominated in Renminbi and foreign currency borrowings are primarily denominated in U.S. dollars.

The following table sets forth the details of the Group's secured borrowings as at 30 June 2025 and 31 December 2024.

	As at 30 June 2025		As at 31 December 2024	
	Secured borrowings RMB million	Carrying value of pledged assets and contract value of certain rights RMB million	Secured borrowings RMB million	Carrying value of pledged assets and contract value of certain rights RMB million
Property, plant and equipment	1,928	5,877	2,065	5,885
Intangible assets	117,031	164,653	93,476	146,304
Properties under development for sale	5,468	13,769	5,444	6,939
Trade and bills receivables	437	649	445	555
Contract assets	41,349	72,621	45,128	77,928
Total	166,213	257,569	146,558	237,611

As at 30 June 2025, the Group's gearing ratio (total liabilities/total assets) was 78.1%, an increase of 0.7 percentage point from 77.4% as at 31 December 2024.

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 30 June 2025 RMB million	31 December 2024 RMB million
Pending lawsuits (Note 1)		
– arising in the ordinary course of business	2,010	2,576

Note 1: The Group has been named in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account 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.

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 occurring 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 Group 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 Group's operations which caused that 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 resulted from significant changes occurring in external policies, market environment and financing conditions during infrastructure investment.
4. **Cash flow risk:** This refers to the possibility of financial losses or reputational damage exposed to the Group resulting from escalating financing scale, potential delays in payments, investments or debt repayment of the Group 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 Company 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 Company 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.

SIGNIFICANT EVENTS

1 Overview of General Meetings

Session of meeting	Date of meeting	References of designated websites for the publication of resolutions	Date of publication of the resolutions
2024 annual general meeting	20 June 2025	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange	21 June 2025
		The website of the Hong Kong Stock Exchange	20 June 2025
2025 first A share class meeting	20 June 2025	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange	21 June 2025
		The website of the Hong Kong Stock Exchange	20 June 2025
2025 first H share class meeting	20 June 2025	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange	21 June 2025
		The website of the Hong Kong Stock Exchange	20 June 2025

Description of the general meetings:

1. The 2024 annual general meeting of the Company was held on 20 June 2025 with a combination of onsite meeting and online voting. During the meeting, the Proposal on the Report of the Board of Directors for the Year 2024, the Proposal on the Profit Distribution Plan for the Year 2024 and the Interim Dividend Plan for the Year 2025 and other proposals were reviewed and approved, and resolutions were formed. The announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times and on the website of the Shanghai Stock Exchange on 21 June 2025 and on the website of the Hong Kong Stock Exchange on 20 June 2025.
2. The 2025 first A share class meeting of the Company was held on 20 June 2025 with a combination of onsite meeting and online voting. During the meeting, the Proposal on the Repurchase of Certain A Shares of the Company through Centralized Bidding Trading, and resolution was formed. The announcement of the resolution was published in China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times and on the website of the Shanghai Stock Exchange on 21 June 2025 and on the website of the Hong Kong Stock Exchange on 20 June 2025.
3. The 2025 first H share class meeting of the Company was held on 20 June 2025 with a combination of onsite meeting and online voting. During the meeting, the Proposal on the Repurchase of Certain A Shares of the Company through Centralized Bidding Trading, and resolution was formed. The announcement of the resolution was published in China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times and on the website of the Shanghai Stock Exchange on 21 June 2025 and on the website of the Hong Kong Stock Exchange on 20 June 2025.

SIGNIFICANT EVENTS

2 The Plan for Profit Distribution or Capitalisation of Capital Reserves

Whether distributed or capitalised	No
Number of bonus shares for every 10 shares (share)	0
Dividend amount per 10 shares (RMB) (tax inclusive)	0
Number of shares capitalised for every 10 shares (share)	0
Information on the plan for profit distribution or capitalisation of capital reserves	Not applicable

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

As of 31 December 2022, the 2021 restricted share incentive scheme of the Company (the “**2021 Incentive Scheme**”) 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 2021 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 Incentive Scheme 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 Incentive Scheme 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 organizational 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 2021 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 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, before the expiration of the second unlocking period, among 640 participants of the second batch who are qualified for unlocking conditions under the initial grant under the 2021 Incentive Scheme (the number of restricted shares that can apply for unlocking is 51,877,822 shares), 2 participants became unable to hold restricted shares of the Company and 3 participants were disqualified from the 2021 Incentive Scheme. The Company shall repurchase and cancel all the restricted shares that have been granted to the aforementioned 5 participants but have not yet been unlocked and adjust the matters related to the unlocking of the second batch under the initial grant, the number of participants of the second batch who are qualified for unlocking conditions under the initial grant was adjusted to 635, and the number of restricted shares that can apply for unlocking is adjusted to 51,449,722 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 Incentive Scheme was 51,449,722 shares.

On 12 June 2025, among the participants under the first grant of the 2021 Incentive Scheme, 2 participants became unable to hold restricted shares of the Company and thus were disqualified from the 2021 Incentive Scheme; 3 participants were disqualified from the 2021 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 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 number of Shares of the Company was changed from 24,741,865,118 Shares to 24,741,008,919 Shares.

The summary of the 2021 Incentive Scheme

(i) Purpose of the 2021 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 2021 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.

SIGNIFICANT EVENTS

(ii) Participants of the 2021 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.

(iii) Total number of shares available for issue under the 2021 Incentive Scheme and their percentage in the total shares issued as at the publication date of this interim report

The number of restricted shares to be granted under the 2021 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 30 June 2025, the 2021 Incentive Scheme was implemented completely. The Company granted 170,079,636 A shares under the 2021 Incentive Scheme (excluding the 12,566,764 restricted shares that were repurchased and canceled by the Company pursuant to the terms of the 2021 Incentive Scheme as of 30 June 2025), and the number of restricted shares issued accounting for approximately 0.83% of the total A share capital and 0.69% of the total share capital of the Company as of the date of this interim report.

(iv) Cap of restricted shares available for grant to each participant in the 2021 Incentive Scheme

The total number of the Company's shares granted under the 2021 Incentive Scheme to any of the participants under the 2021 Incentive Scheme shall not exceed 1% of the total A share capital of the Company at the time when the 2021 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.

(v) The period within which the option may be exercised by the grantee under the 2021 Incentive Scheme

No option which may be exercised was granted under the 2021 Incentive Scheme.

(vi) Vesting period and lock-up period of restricted shares granted under the 2021 Incentive Scheme

The restricted shares granted under the 2021 Incentive Scheme do not have any vesting period 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 2021 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 2021 Incentive Scheme shall not be transferred, used for guarantee or debt repayment until the sales restrictions are released.

(vii) Amount (if any) payable for the acceptance of restricted shares and period within which the payment or call for payment must be made

The amount payable for the acceptance of restricted shares is the grant price multiplied by the number of restricted shares granted. As of 30 June 2025, the total grant price was RMB605,330,497.29 (excluding 12,566,764 restricted shares that were repurchased and canceled by the Company as of 30 June 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.

(viii) 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.

(ix) The remaining life of the 2021 Incentive Scheme

The term of the 2021 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 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).

(x) Agreement on the granting of restricted shares

The Company entered into an agreement on the granting of restricted shares with the participants in order to determine their respective rights and obligations pursuant to the 2021 Incentive Scheme.

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The details of the restricted shares granted under the 2021 Incentive Scheme

Except for the 2021 Incentive Scheme which was implemented completely during the first half of 2025, the Company did not have any other share scheme which is applicable for the disclosure requirements of Chapter 17 of the Hong Kong Listing Rules during the report period. The following table sets forth the details of restricted shares granted during the first half of 2025.

Category of grantees	Particulars of outstanding options and unvested awards at the beginning of the first half of 2025	Number of shares released from selling restrictions during the first half of 2025	Number of shares with selling restrictions granted during the first half of 2025	Number of shares of shares with selling restrictions as at 30 June 2025	Date of grant	Vesting period	Exercise period	Date of releasing selling restrictions	Closing price immediately prior to the date of grant	Reasons for selling restrictions	Fair value of share-based payment	Weighted average closing price	Weighted average number of shares of the relevant class in issue for the first half of 2025	The restricted shares which lapsed during the first half of 2025	
		Number of shares released from selling restrictions during the first half of 2025	Number of shares with selling restrictions granted during the first half of 2025	Number of shares of shares with selling restrictions as at 30 June 2025					Price of grant		(RMB)	(RMB)			
628 incentive participants (employees) ^{Note 1} (excluding 69 participants whose restricted shares have been repurchased and cancelled, and the restricted shares of 4 participants, 20% restricted shares of whom have been repurchased and cancelled ^{Note 3})	Not applicable ^{Note 2}	103,118,924 ^{Note 4}	51,449,722	0	51,669,202	17 January 2022	Not applicable ^{Note 5}	Not applicable ^{Note 6}	24 months, 36 months, 48 months ^{Note 7}	3.55/ share	5.94/share	414.9 million ^{Note 8}	5.88/share ^{Note 9}	0.83% ^{Note 10}	Not applicable ^{Note 11}
50 incentive participants (employees) ^{Note 1} (excluding the restricted shares of 1 participant, 20% restricted shares of whom have been repurchased and cancelled ^{Note 3})		7,947,975 ^{Note 4}	0	0	7,947,975	2 November 2022		24 months, 36 months, 48 months ^{Note 7}	3.68/ share	5.06/share	16.3 million ^{Note 8}				

Notes:

1. The participants of the 2021 Incentive Scheme are the employees of the Group, including (1) senior management of the Group; (2) middle management of the Group; and (3) core key personnel of the Group. The participants do not include (i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates; (ii) each participant with options and awards granted and to be granted in excess of 1% individual limit; or (iii) each related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue.
2. Among 5 participants under the first 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 2021 Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.. Therefore, the Company completed the repurchase and cancellation of 1,379,700 restricted shares that had been granted to the above five participants but not yet unlocked on 28 December 2022. The 1,379,700 restricted shares were granted to the participants on 17 January 2022 at the price of grant of RMB3.55 per share. The repurchase price of the restricted shares repurchased from 3 participants was RMB3.354 per share. The repurchase price of the restricted shares repurchased from 2 participants was RMB3.354 per share, plus interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period.

In addition, 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). The 1,566,166 restricted shares were granted to the participants on 17 January 2022 at the price of grant of RMB3.55 per share. The repurchase price of the restricted shares repurchased from 5 participants was RMB3.154 per share. The repurchase price of the restricted shares repurchased from 2 participants was RMB3.154 per share, plus interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period.

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 2021 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 competent 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). Among the 7,384,576 restricted shares, a part of which were granted to the participants on 17 January 2022 at the price of grant of RMB3.55 per share under the first grant, and the others were granted to the participants on 2 November 2022 at the price of grant of RMB3.68 per share under the reserved grant. The repurchase price of the restricted shares repurchased from 37 participants was RMB2.944 per share, plus interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period; the repurchase price of the restricted shares repurchased from 5 participants was RMB2.944 per share; and the repurchase price of the restricted shares repurchased from 1 participant was RMB3.27 per share. 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 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). The 1,380,123 restricted shares were granted to the participants on 17 January 2022 at the price of grant of RMB3.55 per share. The repurchase price of the restricted shares repurchased from 9 participants was RMB2.944 per share, plus 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 of the restricted shares repurchased from 5 participants was RMB2.944 per share.

On June 12, 2025, the Company completed the repurchase and cancellation of 856,199 restricted shares that had been granted to 5 incentive participants under the first grant but have not yet been released from restrictions. These 5 incentive participants include 2 participants became unable to hold restricted shares of the Company and were disqualified for the 2021 Incentive Scheme, and 3 participants were disqualified for the 2021 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 to be repurchased from 2 participants is 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 of the restricted shares to be repurchased from 3 participants is RMB2.944 per share.

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3. *Under the 2021 Incentive Scheme, the restricted shares were granted to the participants directly, and it did not involve the grant of any options or awards in respect of which shares may be issued. Therefore, particulars of the outstanding options and unvested awards at the beginning and at the end of the first half of 2025 are inapplicable. The number of restricted shares granted under the 2021 Incentive Scheme is not more than 200,000,000 A shares and 181,266,700 A shares have been granted by the Company in fiscal year 2022 and the 2021 Incentive Scheme was implemented completely (which means that no shares were available for grant under the 2021 Incentive Scheme at the beginning and at the end of the first half of 2025).*
4. *Conditions of grant of the restricted shares: the Company granted restricted shares to the participants upon satisfaction of all of the following conditions of grant, and no restricted shares would be granted to the participants if any of the following conditions of grant has not been satisfied. 1. None of the following events with respect to the Company has occurred: i. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the financial and accounting report of the Company for the latest accounting year; ii. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the internal control of the financial report of the Company for the latest accounting year; iii. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing; iv. prohibition from implementation of a share incentive scheme by laws and regulations; v. other circumstance as determined by the CSRC. 2. None of the following events with respect to the participant has occurred: i. he or she has been determined by the stock exchange as an ineligible person in the past 12 months; ii. he or she has been determined by the CSRC and any of its delegated agencies as an ineligible person in the past 12 months; iii. he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC and any of its delegated agencies due to material noncompliance of laws and regulations in the past 12 months; iv. he or she is prohibited from being a director or senior management of the Company under the Company Law; v. he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations; vi. he or she falls under any other circumstances as determined by the CSRC. 3. The Company is deemed to have achieved the performance target if all of the following conditions are satisfied: i. the average growth rate of the net profit for 2018 to 2020 shall not be less than 11.75%; ii. the average return on net assets for 2018 to 2020 shall not be less than 9.86%; iii. the economic value-added performance targets set by SASAC in 2020 are achieved. 4. The individual performance appraisal of the participants: the individual performance appraisal result of the participants in 2020 is competent or above.*
5. *The restricted shares granted under the 2021 Incentive Scheme do not have any vesting period as they were all vested with the participants at the same time as they were granted.*
6. *No options which may be exercised were granted under the 2021 Incentive Scheme.*
7. *Lock-up period of the restricted shares granted under the 2021 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.*
8. *In accordance with the relevant requirements of the "Accounting Standards for Enterprises No.11 – Share-based Payment", the Company shall measure the fair value of the restricted shares based on the market prices of the shares. On the measurement date, the fair value of share-based payment per restricted share shall equal the market price of the shares of the Company minus the grant price. Based on the data on 17 January 2022, the total amount of the fair value of share-based payment of the restricted shares firstly granted by the Company to the participants was RMB414.9 million. The accounting treatment of the reserved restricted shares granted to the participants subsequently is the same as that of the restricted shares under the first grant. Based on the data on 2 November 2022, the total amount of the fair value of share-based payment of the reserved restricted shares granted by the Company to the participants was RMB16.3 million.*
9. *As of the respective dates of grants of restricted shares, the weighted average closing price immediately before the dates on which the restricted shares were granted is RMB5.88 per share.*
10. *The total number of restricted shares granted under the 2021 Incentive Scheme by the Company represents approximately 0.83% of the weighted average number of A shares of the Company in issue during the first half of 2025.*
11. *Under the 2021 Incentive Scheme, the restricted shares were granted to the participants directly, and except for the restricted shares canceled, it did not involve the grant of any options or awards which could lapse.*

4 Performance Status of Undertakings

(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 or continuing during 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	/	/
Undertakings related to refinancing	Others	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	/	/

SIGNIFICANT EVENTS

Notes:

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) published on the website of the Shanghai Stock Exchange on 21 September 2016. The Company and CREC are currently duly complying with all the undertakings.
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 undertaking in relation to apply for ownership certificates for defective real estate was changed to long term, which was considered and approved by the first extraordinary general meeting for 2020 of CRHIC on 25 December 2020. For details of the relevant undertakings, 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 on 8 December 2020. The Company is currently duly complying with all the undertakings.
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 on 31 May 2019. The Company and CREC are currently duly complying with all the undertakings.
4. When acquiring the control of CRPCC, the Company and CREC respectively issued the Letter of Undertaking to Avoid Horizontal Competition with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., the Letter of Undertaking to Regulate the Related Party Transactions with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., and the Letter of Undertaking to Safeguard the Independence of Beijing Hengtong Innovation Luxwood Technology Co., Ltd. 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.
5. When spinning off and listing CRHEEC on the STAR Market, the Company and CREC respectively issued the Undertakings on Avoiding Horizontal Competition, the Letter of Undertaking to Reduce and Regulate the Related Party Transactions, the Letter of Undertaking to Make up for Diluted Immediate Return and other letters of undertaking. For details of the relevant undertakings, please refer to the Plan for China Railway Group Limited on the Spin-off of Its Subsidiary China Railway Highspeed 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 Non-operating Appropriation of Funds by the Controlling Shareholder and Other Related Parties during the Reporting Period

Not applicable

6 Illegal Guarantee

Not applicable

7 Auditors

(1) Description of appointment and removal of auditors

On 28 March 2025, the Resolution on the Appointment of Auditor for the Financial Statements for 2025 and the Resolution on the Appointment of Auditor for Internal Control for 2025 were considered and passed at the 9th meeting of the sixth session of the Board of the Company. For details of the appointment of auditors, please refer to the Announcement of China Railway on the Renewal of Auditors (Announcement No.: Lin 2025-019) disclosed on the website of the Shanghai Stock Exchange on 29 March 2025. These resolutions were considered and approved at the 2024 annual general meeting of the Company on 20 June 2025. The Company has engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu to serve as the Company's domestic and overseas auditor for financial statements for 2025, respectively, and has re-engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's internal control auditor for 2025. For further details, please refer to the Announcement of China Railway Group Limited on Resolutions of Annual General Meeting for the year 2024, 2025 First A Share Class Meeting and 2025 First H Share Class Meeting (Announcement No.: 2025-038) disclosed by the Company on the website of the Shanghai Stock Exchange on 21 June 2025.

(2) Explanation of the Company on the "Modified Audit Report" from auditors

Not applicable

(3) Changes in and handling of the matters related to the qualified auditing opinions in the annual report for the previous year

Not applicable

8 Matters Relating to Insolvency or Restructuring

Not applicable

9 Material Litigation and Arbitration

Not applicable

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

Not applicable

11 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 requirements 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.

SIGNIFICANT EVENTS

12 Significant Related Party Transactions

(1) Related party transactions in ordinary course of business

(i) Matters which were disclosed in an announcement without subsequent progress or changes

Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes

Unit: Thousand 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 the parent company	Leasing service	Lease of office premises, etc.	Contract price	13,932	13,932	Less than 1%
China Railway State Assets Management Co., Ltd. and party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiary of the parent company	Receipt of labor services	Receipt of comprehensive services	Contract price	20,452	20,452	Less than 1%
Total					34,384	34,384	

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 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 Hong Kong Listing Rules.

(iii) Matters undisclosed in announcement

Not applicable

(2) Related party transactions in relation to acquisition and disposal of assets or equity interests

(i) Matters which were disclosed in an announcement without subsequent progress or changes

Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes

Not applicable

(iii) Matters undisclosed in announcement

Not applicable

(iv) Discloseable performance for the reporting period of related party transactions with agreed-upon performance targets

Not applicable

(3) Significant related party transactions in relation to joint external investment

(i) Matters which were disclosed in an announcement without subsequent progress or changes

Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes

Not applicable

(iii) Matters undisclosed in announcement

Not applicable

(4) Amounts due from/to related parties

(i) Matters which were disclosed in an announcement without subsequent progress or changes

Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes

Not applicable

(iii) Matters undisclosed in announcement

Not applicable

SIGNIFICANT EVENTS

(5) Financial business between the Company and the finance company with which there is a related relationship, and between the Company's controlling finance company and related parties

China Railway Finance Co., Ltd., a company controlled by the Company and invested by the controlling shareholder of the Company, CREC, 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 Transaction of Financial Services Framework Agreement between China Railway Finance Co., Ltd. and China Railway Engineering Group Co., Ltd. was considered and adopted at the 6th meeting of the sixth session of the Board convened by the Company on 30 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 would expire 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 31 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 comprehensive credit balance (including interest accrued and service fees) 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.

(i) Deposit business

Unit: Thousand 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	1,214,027	959,057		419,429
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of the parent company	20,000,000	1.00%-1.265%	44,127	161,559	172,015		33,671
Party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiary of the parent company		1.00%-1.265%	25,640	42,357	56,000		11,997
Total				234,226	1,417,943	1,187,072		465,097

SIGNIFICANT EVENTS

(ii) Loan business

Unit: Thousand 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	5,000,000	2.11%-2.60%	2,100,000	680,954	0	2,780,954

(iii) Credit granting business or other financial business

Unit: Thousand Currency: RMB

Related Party	Related relationship	Business type	Total	Amount incurred
CREC	Parent company	Comprehensive credit granting	5,000,000	2,780,954
CREC	Parent company	Other financial services	80,000	0
Total			5,080,000	2,780,954

SIGNIFICANT EVENTS

(iv) Others notes

Unit: Thousand Currency: RMB

Item	Related Party	Amount for the current period	Amount of the corresponding period of last year
Interest income	CREC	27,305	0
Interest expenses	CREC	671	3,275
Interest expenses	China Railway State Assets Management Co., Ltd.	233	149
Interest expenses	Party school of China Railway Engineering Group Co., Ltd.	357	437

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.

(6) Other significant related party transactions

Related party guarantees

Unit: Thousand Currency: RMB

Guarantor	Secured party	Guarantee amount	Guarantee start date	Guarantee expiration date	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. According to the guarantee period stipulated in the Company's Prospectus for the Public Issuance of Corporate Bonds, the period during which the guarantor assumes the guarantee responsibility is from the first day of bond issuance to six months after the maturity date of the bonds. As of 30 June 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 30 June 2025, the remaining payable amount of the above-mentioned bonds was RMB3,608,624 thousand (31 December 2024: RMB3,529,629 thousand).

13 Material Contracts and Their Performance

(1) Trusteeship, contracting and leasing

Not applicable

(2) Material guarantees performed and not performed during the reporting period

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	Commencement date of guarantee (date of the agreement)	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
China Railway No.4 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Xuzhou Yingbin Expressway Construction Co., Ltd.	119,000.00	22 October 2018	29 October 2028	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	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	14 January 2020	30 December 2045	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	None	No /
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	liangxi Chergle Yunchuang Real Estate Co., Ltd.	2,865.25	22 September 2021	21 September 2029	Joint and several liability guarantee	Normal performance	No	No	No	None	No /
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Shantou Nutianyang Expressway Investment Development Co., Ltd.	9,015.37	14 November 2019	23 August 2039	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	None	No /
China Railway Shanghai Engineering Group Co., Ltd.	Wholly-owned subsidiary	Fangchenggang China Railway Diluyuan Investment Development Co., Ltd.	500.00	8 May 2019	31 December 2030	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	None	No /
China Railway International Group Co., Ltd.	Wholly-owned subsidiary	MontagProp Proprietary Limited	5,968.50	3 July 2015	10 July 2030	Joint and several liability guarantee	Normal performance	No	No	No	None	No /

SIGNIFICANT EVENTS

Guarantees provided by the Company (excluding the guarantees to subsidiaries)											
Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is provided to related party
China Railway South Investment Group Co., Ltd.	Wholly-owned subsidiary	Shantou Nutrianyang Expressway Investment Development Co., Ltd.	404,790.30	14 November 2019	14 November 2019	23 August 2039	Joint and several liability guarantee	Normal performance	Equity pledge	No	No
China Railway Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Shanghai Huaxie Real Estate Development Co., Ltd.	53,602.00	11 March 2025	11 March 2025	10 November 2030	Joint and several liability guarantee	Normal performance	No	No	No
Total amount of guarantees incurred during the reporting period (excluding the guarantees provided to subsidiaries)											
Total balance of guarantee as at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)											
Guarantees provided by the Company to its subsidiaries											
Total amount of guarantees provided to subsidiaries during the reporting period											
Total balance of guarantee provided to subsidiaries as at the end of the reporting period (B)											
Total guarantees provided by the Company (including guarantees to its subsidiaries)											
Total amount of guarantees (A+B)											
Total amount of guarantees as a percentage of net assets of the Company (%)											
Of which:											
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)											
Amount of debt guarantees directly or indirectly provided to the secured parties with the gearing ratio exceeding 70% (D)											
Excess amount of aggregate guarantees over 50% of net assets (E)											
Total amount of the above three types of guarantees (C+D+E)											
Statement on the contingent joint and several liability in connection with unexpired guarantee											
Explanations on guarantees											
1. The aggregate guarantee included the commitment to make up the difference of RMB41,153,417,400 provided to its subsidiaries.											
2. As of 30 June 2025, the aggregate guarantees of China Railway Group Limited (consolidated) in relation to real estate mortgage amounted to RMB21,874,146,700.											

14 Other Material Contracts

(1) Material contracts signed during the reporting period

(i) Engineering construction

No.	Signatory	Name of 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	The civil engineering and auxiliary project of sections YFHBZQ-2, YFHBZQ-3, YFHBZQ-6, YFHBZQ-8, YFHBZQ-10, YFHBZQ-11 and YFHBZQ-13 of the newly built Yichang-Fuling High-speed Railway (the Hubei section)	2025.02	2,470,898	72 months
2	Associate of China Railway No. 2 Engineering – China Railway Consulting	Design and construction project for phase II of the cross boarder standard gauge electrified railway of Tanzania- Burundi-Democratic Republic of the Congo (Tanzania to Burundi Section)	2025.01	1,824,445	60 months
3	China Railway Construction, China Railway Beijing Engineering	General contracting of sections TYSZZF-1 and TYSZZF-2 for the construction of the comprehensive transportation hub project of civil engineering and auxiliary projects of Suzhou North Station of the newly built Nantong-Ningbo Highspeed Railway	2025.03	1,156,958	34 months
Highways					
1	China Overseas	Baxin Magi 242 km coastal highway project	2025.02	283,081	120 months
2	China Railway No. 1 Engineering, China Railway No. 4 Engineering, China Railway No. 7 Engineering	Civil engineering construction of sections TJ2, TJ4 and TJ5 of the Chengdu-Wenjiang-Qionglai highway expansion project	2025.06	243,883	30 months
3	China Railway No. 5 Engineering	Gabon Makoukou-Mekamou-Ekatta Highway renovation and asphalt paving project	2025.06	228,289	18 months
Municipal works					
1	China Railway No. 7 Engineering and other parties	Investment partner and EPC of the first development zone project of Tangxun Lake unit in Jiangxia District	2025.06	294,717	2,555 calendar days
2	China Railway No. 4 Engineering	Phase I project of the EPC wastewater treatment system in Ras Al Khaimah, United Arab Emirates	2025.05	173,893	900 calendar days
3	China Railway Tunnel	Construction of the Jinsha Tunnel in Shunde District, Foshan City	2025.01	135,608	1,643 calendar days

SIGNIFICANT EVENTS

No.	Signatory	Name of contract	Signing date	Contract sum (RMB'0,000)	Construction period
Urban rails					
1	China Railway Electrification Engineering	General contracting project for the construction and installation of the four electricity integration (full line substation, traction network, ring network, interval evacuation platform, interval wind, water and electricity, communication, signal, automatic ticket sales, and platform doors) for the Chongming line project of Shanghai Rail Transit/C18	2025.06	165,443	550 calendar days
2	China Railway No. 1 Engineering	Construction of section D.S05.X-TA12 in the cross-river section shield tunnel civil engineering of Phase I project of Nanjing to Yizheng line (including Yangzhou extension line) urban (suburban) railway	2025.02	134,732	1,281 days
3	China Railway Group, China Railway City Investment and Development Group, China Railway Construction	General contracting project for the construction of Fenghuangshan parking lot of the urban (suburban) railway Chengdu to Deyang line project	2025.03	142,237	913 calendar days

(ii) Design and consulting

No.	Signatory	Name of contract	Signing date	Contract sum (RMB'0,000)	Construction period
1	China Railway Major Bridge Engineering	Survey and design of the section EHDSSJ-1 of the third cross river channel project of Yangtze River in Ezhou and Huangshi	2025.06	18,000	420 calendar days
2	China Railway Eryuan Engineering	Feasibility study and general contracting of survey and design of Phase IV project of Chengdu Rail Transit Line 18	2025.02	10,714	Until completion and acceptance
3	China Railway Liuyuan Engineering	Civil engineering survey and design and mechanical and electrical system design of Section 3 of Quanzhou-Xiamen-Zhangzhou Intercity Railway R1 Line (Xiamen section)	2025.05	7,956	Until completion and acceptance

(iii) Equipment manufacturing

No.	Signatory	Name of contract	Signing date	Contract sum (RMB'0,000)	Construction period
Steel structures					
1	China Railway Shanhaiguan Bridge, China Railway Baoji Bridge, China Railway Jiujiang Bridge Engineering	Sections ZJG-A11, A12 and A13 of Zhangjiagang- Jingjiang-Rugao Yangtze River Bridge construction and equity investment project	2025.04	130,648	24 months
2	China Railway Baoji Bridge	Contract document of section QXXGJG-3 for the steel structure manufacturing of the west extension line of the Qiaokou to Xiaogan Highway	2025.04	19,014	14 months
3	China Railway Shanhaiguan Bridge	Supplemental agreement to the professional subcontracting contract for the manufacturing, painting, transportation and installation of steel main girders, steel anchor boxes and associated steel structures for the Daxi River Grand Bridge on the Fengjie-Jianshi Highway	2025.06	5,945	12 months
Turnout					
1	China Railway Baoji Bridge	Material (turnouts, rail expansion joints) supply for the civil engineering and auxiliary projects of the newly built Fuyang to Mengcheng to Suzhou (Hualbei) Railway	2025.02	11,911	As required by Party A
2	China Railway Shanhaiguan Bridge	YXDC2025-B sale of 301 – Materials procurement contract managed by China Railway Group for the newly built Xiong'an New Area to Xinzhou Highspeed Railway Shanxi section project – Daxi Passenger Railway Line Co., Ltd.	2025.03	11,100	As required by Party A
3	China Railway Baoji Bridge	Procurement contract for the tenth batch of packages for the civil engineering and auxiliary projects of the Liuzhou to Wuzhou section of the newly built Liuzhou to Guangzhou Railway	2025.02	10,751	As required by Party A

SIGNIFICANT EVENTS

No.	Signatory	Name of contract	Signing date	Contract sum (RMB'0,000)	Construction period
Engineering machinery (including track equipment and shields)					
1	China Railway Engineering Equipment	Lease service contract for the shield machine of the Wenzhou Fudong Road river-crossing project of China Railway No.3 Engineering Group Co., Ltd.	2025.05	16,346	The total lease term is tentatively set at 20 months. The arrival date of the first unit is tentatively set at 1 March 2026, and the departure date is tentatively set at 1 September 2027. The arrival date of the second unit is tentatively set at 1 May 2026, and the departure date is tentatively set at 1 November 2027
2	China Railway Engineering Equipment	Section CR207 of phase 2 of Singapore Cross-island MRT	2025.02	15,722	As required by Party A
3	China Railway Engineering Equipment	Purchase contract for double shield TBM for the natural gas pipeline project of east section of the Ningbo-Shaoxing trunk line	2025.04	10,600	The first set is tentatively scheduled to complete loading and ex-factory procedures by 30 May 2025. The second set is scheduled to complete loading and ex-factory procedures by 30 June 2025

(iv) Property development

Land purchases

No.	Project name	Project location	Project type	Planned area (0'000 square meters)
1	Shanghai Yangpu District 89 block project	Shanghai	Secondary development	1.36
2	Beijing Haidian District Zhufang 4th Street No. 29 plot project	Beijing	Secondary development	4.27
3	Xi'an Qujiang New District QJ8-9-37 pilot project	Xi'an	Secondary development	4.35

SIGNIFICANT EVENTS

Property held for development

Unit: 0'000 square meters

Name of building or project	Location	Current land use	Land area	Floor area	State of completion	Expected completion date	Interests of the Company and its subsidiaries
Jinan China Railway City	South of Jingshi East Road, north of Guangfu Avenue and west of Panlong Road, Licheng District, Jinan City, Shandong Province	Commercial housing land, commercial land	58.81	106.58	Under construction	2030	100%
Nuode Yijing Community	Huangcun Town, Daxing District, Beijing	Public service facilities, underground garage, underground storage, residential and commercial use	4.64	19.79	Under construction	2025	65%
Yuelong Garden	North of Jiangfu Road and west of Guanghua Road, Jianggao Town, Baiyun District, Guangzhou City, Guangdong Province	Urban residential land	11.70	35.00	Under construction	2025	100%
Changchun Northeast Asia International Expo Center	No.6888 Yongchun Street, Yongchun Town, Chaoyang District, Changchun City, Jilin Province	Urban residential land, other commercial and service use, cultural facilities	232.63	447.16	Under construction	2032	99%
Yuezhen Mansion	No. 151 Luotian Road, Haibin Community, Xin'an Subdistrict, Bao'an District, Shenzhen City, Guangdong Province	Ordinary residential and shops	1.52	11.19	Under construction	2025	51%

SIGNIFICANT EVENTS

Property held for investment

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 Lwei 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 City	Commercial	April 2052	100%
Financial City Plaza	Lot AT090904, Qibu Area, Financial City, Huangpu Avenue, Tianhe District, Guangzhou City, Guangdong Province	Commercial	December 2068	100%

(v) Assets operation business

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 (years)	Concession period (years)	Signing date
1	Section Xinjin to Emei Mountain project of Chengdu to Emei Mountain highway	China Railway City Investment and Development Group and other parties (project company)	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	February 2025
2	Section Lidu to Xinmiao Project of Chongqing Fuling ring highway, Fuling north ring bundling project of G5021 Shiyu highway	China Railway Tunnel and other parties (project company)	136.21	China Railway Tunnel holds 65.19%, China Railway Major Bridge Engineering holds 0.18%, China Railway Changjiang Design holds 0.12%, China Railway Communications holds 0.04%, Anhui Construction Engineering Co., Ltd. holds 7.43%, and Fuling district government holds 27.04%	4.5	30	May 2025

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	Section Yiwang to Lingjiingdian of G2003 Taiyuan ring highway (Taiyuan Northwest second ring road) project	China Railway and other parties	259.8	March 2020	30	December 2024
2	PPP project of Dalian No. 5 Metro Line	China Railway and other parties	182.7	March 2017	19.5	March 2023
3	Public-private partnership (PPP) project of Beijing – Xiong'an highway (Beijing Section)	China Railway and other parties	122.1	January 2021	25	December 2023

SIGNIFICANT EVENTS

(vi) Emerging businesses

No.	Signatory	Project name	Signing date	Contract sum (RMB'0,000)	Construction period
1	Tiegong Investment	Concession project of the water network improvement and upgrade project in Tangshan City	May 2025	323,065	As required by Party A
2	Tiegong Investment	Concession project of all-area surface water allocation in Yutian county, Tangshan City, Hebei Province	May 2025	212,983	As required by Party A
3	China Railway Major Bridge Engineering	EPC general contracting of Three Gorges Energy Fujian Putian Pinghai Bay 400MW offshore wind farm DE Zone Project	January 2025	173,969	As required by Party A

15 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

Not applicable

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

In the first half of the year, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the instructions and requirements of the Party Central Committee and the State Council regarding the "Three Rural Issues", as well as the work arrangements of the SASAC to support rural revitalization. Centering on the theme of the "Five Revitalizations," the Company continued to uphold the pioneering spirit of China Railway, scientifically formulated annual assistance plans, carefully selected and optimized assistance projects, and accelerated the advancement of aid construction projects, and promoted the high-standard initiation and high-quality advancement of all rural revitalization work, contributing China Railway's strength to the high-quality development of assisted regions.

Firstly, strengthened the leadership of poverty alleviation efforts. In accordance with higher-level requirements and in line with the needs of the assisted regions, the Company formulated and issued the 2025 Rural Revitalization Assistance Work Plan, making specific arrangements for industrial assistance, training empowerment, consumption assistance and rural infrastructure development.

Secondly, intensified industrial assistance efforts. The Company carefully selected and prioritized assistance projects for the 2025 and promptly disbursed assistance funds. The Company continued to participate in the construction of high-standard farmland projects in Baode County, transforming over 2,000 acres of dry fields into high-yield paddy fields; in Guidong County, the Company continued to build high-standard farmland for cold-water rice, and constructed a smart rice processing plant to continuously support the growth and strengthening of characteristic industries; in Rucheng County, the Company explored and established an order-based agriculture demonstration village, directly benefiting villagers by enabling them to increase their income and achieve prosperity locally. Meanwhile, the Company continued to advance its ongoing projects. The 2,500-acre high-standard farmland for cold-water rice cultivation in Guidong County has completed large-scale rice transplanting and achieved intelligent water-fertilizer integrated irrigation.

Thirdly, continued to carry out educational assistance programs. The Company continued to promote the development of learning brands such as “Skills for All” and “Dream Classroom”. In the first half of the year, training was provided to over 9,600 grassroot cadres and talents in 3 assisted counties. In the first half of the year, the Company allocated funds to establish a drone operation and maintenance program at Rucheng Vocational High School and to construct an arts and sports hall for Rucheng First High School, aiming to address social welfare shortcomings and enhance graduates’ employment competitiveness. In Guidong County, the Company organized 13 training sessions on employment skills such as homestay management and e-commerce live streaming, focusing on industrial development, with a total of over 1,400 participants trained.

Fourthly, deepened and expanded consumption assistance efforts. The Company actively participated in the “Central Enterprises Consumption Assistance Spring Campaign”, and for the first time organized the “United Efforts Campaign” for Central Enterprises Consumption Assistance. The Company strengthened organizational mobilization, deeply tapped into the consumption potential within the Company, fully stimulated the enthusiasm for assistance throughout the Company, vigorously expanded external markets, improved marketing methods combining online and offline, as well as within and outside the county, and increased the total amount of consumption assistance. In the first half of the year, subsidiaries purchased a total of RMB3.149 million of agricultural products in assistance.

Fifthly, promoted the construction of beautiful rural areas. The Company assisted Tuanwo village in Baode county in completing the publication of its village chronicle, carried out environmental upgrades and improvements to the main roads and primary community activity areas, and implemented geological hazard site remediation in the village. The Company actively established “Party Building Informationization Demonstration Village in Xinzhou City” and “Party Building Work Inspection Highlight Village in Baode County”.

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

The Company disclosed the Action Plan for “Quality and Efficiency Improvement and Returns Enhancement” for the year 2024 on 18 July 2024. Since the release of the Action Plan, the Company has actively carried out and implemented relevant work based on the actual situation, and the implementation is reported as follows:

(1) Implementation of the Action Plan

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

In 2024, the Company proactively responded to the cyclical adjustments in the construction industry, where growth opportunities in traditional construction sectors have narrowed, and unfavorable situations such as local debts and corporate receivables pressures persist. Focusing on “efficiency enhancement and value creation”, the Company continuously strengthened its core functions and improved its core competitiveness. It achieved significant results in segments and regions such as the “second curve” businesses and overseas operations, stabilized the Company’s development “foundation”, demonstrated its strong development resilience, and also expanded the space for high-quality development. The Company achieved newly signed contract amount of RMB2,715,180 million, total operating revenue of RMB1,160,311 million, net profit of RMB30,758 million, and net profit attributable to shareholders of the listed company of RMB27,887 million.

In the first half of 2025, the Company anchored the goal of “one increase, one stabilization and four improvements”, consistently grasped the main line of “efficiency enhancement and value creation”, seized market opportunities, accelerated the pace of operation, promoted the conversion of operating results, and completed newly signed contract amount of RMB1,108,690 million, representing a year-on-year increase of 2.8%. In particular, the Company’s newly signed contract amount increased by 12.4% year-on-year in the railway market, and continued to maintain a leading market share in advantageous fields such as long and large complex special bridges, large-diameter shield tunnels, railway and urban rail for communications engineering, signal engineering, electrical engineering and electrification engineering (四電), and high-end equipment; the Company undertook orders at a amount of RMB143,260 million in the “second curve” businesses including water conservancy, energy, ecological and environmental protection. In terms of overseas business orders, the Company completed newly signed contract amount of overseas business of RMB124,870 million in the first half of the year, representing a year-on-year increase of 51.6%, and market operation increased steadily.

2) Continuing stable dividend distribution and obtaining more market recognition

The Company always adheres to the purpose of positively rewarding shareholders, clarifies the profit distribution policy in the Articles of Association, and regularly releases the proposal of three-year shareholders' return plan; Meanwhile, the Company always insists on increasing the amount or proportion of dividends in due course so as to enhance investors' sense of gain while satisfying the conditions of dividend distribution, and combining with the Company's operating performance and financial condition. Since 2009, the cumulative amount of dividend distribution is approximately RMB45.2 billion for 16 consecutive years, of which the absolute amount of dividends has increased positively for 12 consecutive years, and in recent years, the dividend yield ratio of A-shares has basically remained above 3%, and the dividend yield ratio of H-shares has remained above 5%, sharing the fruits of the Company's high-quality development with investors.

In March 2025, the Company disclosed its profit distribution plan for 2024, intending to distribute a cash dividend of RMB0.178 yuan (tax inclusive) per share to all shareholders, with a total cash dividend exceeding RMB4,400 million, 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 compared to the dividend yield ratio in 2023; In order to better reward investors, the Company decided to increase the frequency of dividend distribution, and disclosed the implementation of the 2025 interim dividend distribution plan, proposing to implement the interim dividend distribution under the premise of meeting the profit distribution conditions, and the total dividends would not exceed 20% of the net profit of the Company attributable to shareholders of the listed company in the first half of 2025. The above proposal has been considered and approved at the 2024 annual general meeting. As of the disclosure date of this report, the 2024 annual dividend distribution has been fully completed; and the specific plan and implementation of the 2025 interim dividend distribution will be carried out in due course this year.

SIGNIFICANT EVENTS

3) Developing new quality productive forces and promoting industrial innovation

The Company has deeply practiced the “three transformations”, strengthened the top-level design of the strategic emerging industries, and accelerated the construction of a 2+4 strategic emerging industrial system that “leads the development of intelligent creation, intelligent operation and maintenance, and strengthens the four major industries of high-end equipment, energy conservation and environmental protection, new materials and new energy”. In 2024, the Company strengthened the key position of corporate innovation, drove technological breakthroughs with application scenarios, and promoted intelligent construction to guide the development of the industry in an all-round way. 35 projects under the national key R&D plan during the “14th Five-Year Plan” have been progressed smoothly, the source of green and low-carbon innovative technology for railway transportation infrastructure facilities has been successfully approved, the demonstration and application task of Beidou space-time empowerment digital construction integration has been progressed in an orderly manner, the intelligent construction of shield tunnels has successfully entered the 2.0 era, and the TBM/shield production and sales volume has ranked first in the world for 8 consecutive years. The Company has been ranked the first among state-owned construction enterprises in terms of number of awards of the National Award for Science and Technology.

In the first half of 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.

4) Enhancing communication with investors and strengthening value management

The Company adheres to the guidance of investor needs, continuously enriches the content of information disclosure, especially discloses in detail the business content of strategic emerging industries and resource utilization in the regular report, and optimizes the form of report disclosure and publicity through the combination of charts and tables, enabling investors understand the Company's investment value more clearly and conveniently. The Company disclosed the information as practicable as possible, and the evaluation results of annual information disclosure work have been rated as A-class by the Shanghai Stock Exchange for 11 consecutive years. Meanwhile, the Company carried out communications and exchanges with domestic and foreign investors in a high-quality manner, and increased the frequency of results presentations in combination with conceptual themes such as "reform of state-owned enterprises", "new quality productivity forces" and "market value management"; By holding results presentation, themed reverse roadshows, visiting institutional investors, receiving visits and research from offline investors, answering SSE E-interactive questions, answering investor hotlines, etc., the Company has carried out multi-layer, multi-type, normalized and high-quality benign interactions with investors, and established a good image of the Company in the capital market. In 2024, the Company was awarded as the "Best IR Hong Kong-listed Company (A+H Shares)" by New Fortune for 6 consecutive years.

In March 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. In the first half of the year, the Company actively implemented the share repurchase, maintenance of stable dividend policy and increase of the frequency of dividend distribution under the plan and the enhancement plan, and strived to promote the Company's investment value to rationally reflect the Company's quality, and effectively implemented the initiative of "Quality and Efficiency Improvement and Returns Enhancement".

SIGNIFICANT EVENTS

5) Adhering to standardized operation and improving governance efficiency

The Board of the Company thoroughly implemented the reform arrangements of state-owned enterprises and the securities supervision requirements of Shanghai and Hong Kong, focused on the high-quality development goals of enterprises, accelerated the improvement of modern corporate governance of state-owned enterprises with Chinese characteristics, promoted the construction of a scientific, rational and efficient Board of Directors, and gave full play to the role of the Board of Directors in “strategies determination, decision-making and risks prevention” so as to improve the efficiency of corporate governance. In 2024, the Company revised the relevant corporate governance policies in accordance with the latest securities regulatory requirements for state-owned assets and corporate management needs, to promote the improvement of the corporate governance system; improved the corporate governance structure, promoted the diversification and compliance of the Board structure; revised the list of decision-makings for major matters and the list of authorization in combination with the actual condition of the Company, to promote the clearer governance powers and responsibilities; improved the quality and efficiency of decision-makings by the Board through strengthening the planning of meetings and optimizing the communication mechanism for major and complex proposals; and continued to promote the extension and expansion of the construction of the Board to subsidiaries, to improve the ability of the board of directors of subsidiaries to exercise their powers and perform their duties in accordance with the law. The Board of the Company has been awarded the “Best Practices for the Board of Listed Companies” for two consecutive years.

In the first half of 2025, the Board of the Company strictly performed its duties and exercise its powers, continuously improved the system and optimized the mechanism. Firstly, according to the new Company Law, the latest regulatory requirements and the needs of corporate management, the Board revised and improved the Articles of Association, the procedural rules for the general meeting of shareholders and for the Board, the independent director system and other corporate governance systems, and promoted the operation of the corporate governance system to be more standardized and the system to be more perfect. Secondly, the Board completed the adjustment to the component of the Board and special committees of the Board; successfully completed the abolition of the Supervisory Committee of the Company in accordance with the relevant requirements of the reform of the supervisory committee of state-owned enterprises; revised the template of the articles of association and the procedural rules for the board of directors of secondary subsidiaries, continued to promote the reform of the supervisory committee of subsidiaries, and promoted the improvement of the corporate governance structure of the parent company and subsidiaries. Thirdly, the Board continued to improve its operation quality and efficiency. The Company organized directors to hold communication meetings on major investment projects, international business, design and consulting business, etc., carried out special research, organized the implementation and followed-up of the resolutions of the Board and delegated management in the first half of the year, and carried out post-investment evaluation of major investment projects; thoroughly implemented the spirit of the construction and promotion meeting of central enterprises, decomposed and implemented the construction tasks of the board of directors of the parent company and subsidiaries, and promoted the construction of a scientific, rational and efficient board of directors; innovated the improvement of performance ability of directors of subsidiaries, organized communication meetings and share meetings of performance experience for dispatched directors so as to promote the improvement of the performance ability of dispatched directors.

(2) Major tasks of continuous implementation of the Action Plan for “Quality and Efficiency Improvement and Returns Enhancement” in the future

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 disclosed in March 2025, and fulfilled 10 specific tasks in three aspects: improving quality and efficiency, consolidating value management and ensuring value realization, and continue to carry out the action of “Quality and Efficiency Improvement and Returns Enhancement”.

18 Compliance with Corporate Governance Code

During the six months ended 30 June 2025, the Company had complied with all code provisions set out in Part 2 of Appendix C1 to the Hong Kong Listing Rules.

19 Review of Interim Financial Report

The 2025 interim financial statements for the six months ended 30 June 2025 of the Company prepared in accordance with CAS and the 2025 interim condensed financial information prepared in accordance with IAS 34 (collectively referred as “**2025 Interim Financial Report**”) have not been audited. The 2025 Interim Financial Report has been reviewed by the Board of Directors and the Audit and Risk Management Committee under the Board of Directors of the Company.

20 Event after the Reporting Period

There have been no events since the end of the reporting period that have had a material impact on the Group.

DEFINITION AND GLOSSARY OF TECHNICAL TERMS

1	Articles of Association	Articles of Association of China Railway Group Limited
2	Belt and Road	Silk Road Economic Belt and 21st Century Maritime Silk Road
3	Company, China Railway	China Railway Group Limited
4	CREC	China Railway Engineering Group Company Limited
5	Five Roles of China Railway	shouldering the responsibility of a great power, pioneer in leading infrastructure construction, leader in industrial chain with green development, multinational company with brand influence, and modern enterprise with social respect
6	Five Values	the development requirements put forward by the SASAC, covering five dimensions: increasing added value, functional value, economic value added (EVA), the proportion of income and added value of strategic emerging industries, and brand value
7	Group	the Company and its subsidiaries
8	SASAC	State-owned Assets Supervision and Administration Commission of the State Council
9	Shield Tunneling Machine	a full-section tunneling excavator which can complete tunneling, slag discharging, pipe segments assembling and other operations under the protection of a rigid shield
10	TBM	Tunnel Boring Machine
11	Three Major Projects	affordable housing, urban village renovation and “both emergency and leisure” public infrastructure construction
12	Three Transformations	Promoting the transformation from made in China to created in China, speed of China to quality of China, and products of China to brands of China
13	Turnout	a component used for changing the route of a train where a single track splits into two tracks. Turnout is applied in railway tracks
14	“Two News”	promoting a new round of large-scale equipment upgrades and trade-ins of consumer goods
15	“Two Priorities” Projects	Implementation of major national strategies and building security capabilities in key areas

COMPANY INFORMATION

Directors

Executive directors

Mr. CHEN Wenjian (*Chairman*)
Mr. WANG Shiqi

Non-executive directors

Mr. WEN Limin
Mr. FANG Xiaobing

Independent non-executive directors

Mr. XIU Long
Ms. SUN Lishi
Mr. TU Haiming

Joint company secretaries

Mr. MA Yonghong
Mr. TAM Chun Chung *CPA, FCCA*

Authorized representatives

Mr. WANG Shiqi
Mr. TAM Chun Chung *CPA, FCCA*

Audit and Risk Management Committee

Ms. SUN Lishi (*Chairlady*)
Mr. WEN Limin
Mr. XIU Long

Remuneration Committee

Mr. XIU Long (*Chairman*)
Mr. WEN Limin
Ms. SUN Lishi

Strategy and Investment Committee

Mr. CHEN Wenjian (*Chairman*)
Mr. WEN Limin
Mr. XIU Long
Mr. TU Haiming

Nomination Committee

Mr. CHEN Wenjian (*Chairman*)
Ms. SUN Lishi
Mr. TU Haiming

Safety, Health and Environmental Protection Committee

Mr. CHEN Wenjian (*Chairman*)
Mr. WANG Shiqi
Mr. WEN Limin
Mr. FANG Xiaobing
Mr. TU Haiming

COMPANY INFORMATION

Registered office

918, Block 1
No. 128 South 4th Ring Road West Fengtai District
Beijing 100070 PRC

Principal place of business in Hong Kong

Unit 1201-1203
12/F, APEC Plaza
49 Hoi Yuen Road, Kwun Tong Kowloon, Hong Kong

Auditors

Domestic

Deloitte Touche Tohmatsu Certified Public Accountants LLP
30/F, No. 222 East Yan'an Road
Huangpu District,
Shanghai, the PRC

International

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

Legal advisors

Jun He Law Offices
No. 8 Jianguomen North Street
Beijing, PRC

Shares registrars

A Shares

China Securities Depository and Clearing Corporation
Limited, Shanghai Branch
No. 188, South Yanggao Road
Pudong New Area, Shanghai
PRC

H Shares

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Listing information

A Shares

Place of listing: Shanghai Stock Exchange
Stock name: China Railway
Stock code: 601390

H Shares

Place of listing: The Stock Exchange of Hong Kong Limited
Stock name: China Railway
Stock code: 390

Principal bankers

The Export-Import Bank of China
Industrial and Commercial Bank of China
China Construction Bank
Agricultural Bank of China
Bank of China
Bank of Communications
China Minsheng Bank
China Merchants Bank
China CITIC Bank

Company website

<http://www.crec.cn>

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CHINA RAILWAY GROUP LIMITED

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

Introduction

We have reviewed the condensed consolidated financial statements of China Railway Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 78 to 132, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410") as issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
29 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Notes	Six-month period ended 30 June	
		2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Revenue	4	512,502	544,522
Cost of sales and services	11	(470,082)	(497,765)
Gross profit		42,420	46,757
Other income	5	2,227	1,488
Other expenses	5	(482)	(575)
Net impairment losses on financial assets and contract assets	6	(2,073)	(1,756)
Other gains and losses, net	7	(14)	182
Losses from derecognition of financial assets at amortised cost	8	(1,545)	(1,658)
Selling and marketing expenses	11	(2,851)	(2,908)
Administrative expenses	11	(11,194)	(12,904)
Research and development expenditures	11	(8,110)	(9,225)
Operating profit		18,378	19,401
Finance income	9	3,575	4,447
Finance costs	9	(6,497)	(5,737)
Share of post-tax losses of joint ventures		(111)	(214)
Share of post-tax profits of associates		1,478	1,663
Profit before income tax		16,823	19,560
Income tax expense	10	(3,681)	(3,891)
Profit for the period		13,142	15,669
Profit attributable to:			
– Owners of the Company		11,827	14,279
– Non-controlling interests		1,315	1,390
		13,142	15,669
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	13	0.412	0.532
– Diluted	13	0.412	0.532

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Profit for the period	13,142	15,669
Other comprehensive income/(expense), net of income tax		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of retirement and other supplemental benefit obligations	1	(51)
Income tax relating to remeasurement of retirement and other supplemental benefit obligations	–	8
Changes in the fair value of equity investments at fair value through other comprehensive income	50	70
Income tax relating to changes in the fair value of equity investments at fair value through other comprehensive income	(8)	(12)
	43	15
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	79	(116)
Share of other comprehensive (expense)/income of associates	(53)	26
	26	(90)
Other comprehensive income/(expense) for the period, net of tax	69	(75)
Total comprehensive income for the period	13,211	15,594
Total comprehensive income for the period attributable to:		
– Owners of the Company	11,897	14,183
– Non-controlling interests	1,314	1,411
	13,211	15,594

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Notes	At 30 June 2025 RMB million (Unaudited)	At 31 December 2024 RMB million (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	147,889	145,360
Right-of-use assets		16,178	16,401
Deposits for acquisition of property, plant and equipment		500	600
Investment properties		19,686	18,959
Intangible assets	15	245,377	232,245
Mining assets		7,525	7,671
Contract assets	16	262,292	264,336
Investments in joint ventures		61,123	57,020
Investments in associates		71,508	69,690
Goodwill		1,558	1,558
Financial assets at fair value through other comprehensive income	17	21,474	20,971
Other financial assets at amortised cost	18	22,385	24,774
Financial assets at fair value through profit or loss	19	17,501	17,965
Deferred tax assets		15,975	15,216
Other prepayments		523	645
Trade and other receivables	20	145,494	98,762
		1,056,988	992,173
Current assets			
Properties held for sale		57,705	55,019
Properties under development for sale	21	116,414	118,324
Inventories		83,567	72,372
Financial assets at fair value through other comprehensive income	17	1,028	752
Trade and other receivables	20	450,347	388,827
Contract assets	16	383,828	333,120
Current income tax recoverable		5,457	5,036
Other financial assets at amortised cost	18	15,577	27,737
Financial assets at fair value through profit or loss	19	10,682	12,155
Restricted cash and term deposits with maturity over three months		35,545	50,577
Cash and cash equivalents		158,679	199,485
Assets classified as held for sale		689	689
		1,319,518	1,264,093
Total assets		2,376,506	2,256,266

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Notes	At 30 June 2025 RMB million (Unaudited)	At 31 December 2024 RMB million (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	24,741	24,742
Shares held for 2021 Restricted Share Incentive Scheme	23	(169)	(333)
Share premium and reserves		285,743	279,868
Perpetual notes	25	56,288	50,290
		366,603	354,567
Non-controlling interests		154,087	155,425
Total equity		520,690	509,992
LIABILITIES			
Non-current liabilities			
Trade and other payables	26	64,034	84,322
Borrowings	27	406,565	373,736
Lease liabilities		2,937	3,015
Retirement and other supplemental benefit obligations		1,582	1,654
Provisions		1,858	1,709
Deferred government grants and income		942	929
Deferred tax liabilities		5,077	4,712
		482,995	470,077
Current liabilities			
Trade and other payables	26	1,033,077	958,911
Contract liabilities	16	160,270	161,139
Current income tax liabilities		7,235	9,075
Borrowings	27	169,511	144,231
Lease liabilities		882	1,137
Retirement and other supplemental benefit obligations		201	234
Financial liabilities at fair value through profit or loss	19	840	665
Provision		805	805
		1,372,821	1,276,197
Total liabilities		1,855,816	1,746,274
Total equity and liabilities		2,376,506	2,256,266

The accompanying notes are an integral part of this condensed consolidated financial statements.

The condensed consolidated financial statements on pages 78 to 132 were approved by the Board of Directors on 29 August 2025 and were signed by:

CHEN Wenjian
Director

Wang Shiqi
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

Attributable to owners of the Company													
Notes	Share capital RMB million	Share premium RMB million	Shares held for 2021 Restricted Share Incentive Scheme RMB million	Capital reserve RMB million	Statutory reserve RMB million	Foreign currency translation reserve RMB million	Investment revaluation reserve RMB million	Retained earnings RMB million	Perpetual notes RMB million	Total RMB million	Non-controlling interests RMB million	Total RMB million	
Balance at 31 December 2024 (Audited)	24,742	52,628	(333)	3,312	22,924	(1,012)	974	201,042	50,290	354,567	155,425	509,992	
Profit for the period	-	-	-	-	-	-	-	11,827	-	11,827	1,315	13,142	
Other comprehensive income/(expense)	-	-	-	1	-	80	(11)	-	-	70	(1)	69	
Total comprehensive income/(expense) for the period ended 30 June 2025	-	-	-	1	-	80	(11)	11,827	-	11,897	1,314	13,211	
Total transactions with owners, recognised directly in equity													
Repurchase and cancel restricted stock	23	(1)	(3)	3	-	-	-	1	-	-	-	-	
Amount recorded in shareholders' equity arising from 2021													
Restricted Share Incentive Scheme		-	-	3	-	-	-	-	-	3	-	3	
Unlock restricted stock	23	-	125	151	(125)	-	-	-	-	151	-	151	
Capital contributions from non-controlling shareholders of subsidiaries		-	7	-	-	-	-	-	-	7	6,529	6,536	
Capital reductions from non-controlling shareholders of subsidiaries		-	-	-	-	-	-	-	-	-	(8,553)	(8,553)	
Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries		-	10	-	-	-	-	-	-	10	(14)	(4)	
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	-	290	290	
Transfer of fair value gains of equity investment in other comprehensive income upon disposal		-	-	-	-	-	(2)	8	-	6	-	6	
Issuance of perpetual notes		-	-	-	-	-	-	-	7,496	7,496	500	7,996	
Redemption of perpetual notes	25	-	(2)	-	-	-	-	-	(1,498)	(1,500)	-	(1,500)	
Dividends declared to shareholders	12	-	-	10	-	-	-	(4,394)	-	(4,384)	-	(4,384)	
Dividends declared to non-controlling shareholders of subsidiaries		-	-	-	-	-	-	-	-	-	(1,125)	(1,125)	
Dividends declared to perpetual notes holders	25	-	-	-	-	-	-	(1,654)	-	(1,654)	(299)	(1,953)	
Transferred to reserves		-	-	-	21	-	-	(21)	-	-	-	-	
Others		-	-	-	7	-	-	(3)	-	4	20	24	
Balance at 30 June 2025 (Unaudited)	24,741	52,765	(169)	3,198	22,945	(932)	961	206,806	56,288	366,603	154,087	520,690	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

Attributable to owners of the Company												
Note	Share capital RMB million	Share premium RMB million	Shares held for 2021 Restricted Share Incentive Scheme RMB million	Capital reserve RMB million	Statutory reserve RMB million	Foreign currency translation reserve RMB million	Investment revaluation reserve RMB million	Retained earnings RMB million	Perpetual notes RMB million	Total RMB million	Non-controlling interests RMB million	Total RMB million
Balance at 31 December 2023 (Audited)	24,752	52,631	(576)	3,565	21,401	(958)	690	181,169	49,712	332,386	127,368	459,754
Profit for the period	–	–	–	–	–	–	–	14,279	–	14,279	1,390	15,669
Other comprehensive (expense)/income	–	–	–	(42)	–	(112)	58	–	–	(96)	21	(75)
Total comprehensive (expense)/income for the period ended 30 June 2024	–	–	–	(42)	–	(112)	58	14,279	–	14,183	1,411	15,594
Total transactions with owners, recognised directly in equity												
Repurchase and cancel restricted stock	(1)	(4)	5	–	–	–	–	–	–	–	–	–
Amount recorded in shareholders' equity arising from 2021												
Restricted Share Incentive Scheme	–	–	–	42	–	–	–	–	–	42	–	42
Unlock restricted stock	–	136	176	(136)	–	–	–	–	–	176	–	176
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	6,092	6,092
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	1,558	1,558
Transfer of fair value gains of equity investment in other comprehensive income upon disposal	–	–	–	–	–	–	(3)	3	–	–	–	–
Redemption of perpetual notes	–	(5)	–	–	–	–	–	–	(4,595)	(4,600)	–	(4,600)
Dividends declared to shareholders	12	–	25	–	–	–	–	(5,196)	–	(5,171)	–	(5,171)
Dividends declared to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	(396)	(396)
Dividends declared to perpetual notes holders	–	–	–	–	–	–	–	(1,157)	(331)	(1,488)	(327)	(1,815)
Transferred to reserves	–	–	–	–	25	–	–	(25)	–	–	–	–
Others	–	11	–	–	–	–	–	–	–	11	32	43
Balance at 30 June 2024 (Unaudited)	24,751	52,769	(370)	3,429	21,426	(1,070)	745	189,073	44,786	335,539	135,738	471,277

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Net cash used in operating activities	(79,630)	(69,332)
Cash flows from investing activities		
– Additions of property, plant and equipment	(6,084)	(9,753)
– Disposal of property, plant and equipment	472	774
– Additions of right of land use	(493)	(66)
– Disposal of right of land use	–	2
– Additions of intangible assets	(13,129)	(11,995)
– Payments for mining assets	–	(2,823)
– Purchase of investment properties	(125)	(221)
– Disposal of investment properties	83	44
– Acquisition of subsidiaries	20	232
– Investments in associates	(1,026)	(1,319)
– Investments in joint ventures	(4,924)	(850)
– Disposal of joint ventures	759	32
– Disposal of associates	22	395
– Purchase of financial assets at fair value through other comprehensive income	(869)	(2,628)
– Disposal of financial assets at fair value through other comprehensive income	199	1,233
– Purchase of financial assets at fair value through profit or loss	(3,688)	(8,984)
– Disposal of financial assets at fair value through profit or loss	4,092	6,974
– Net cash flow in respect of other financial assets at amortised cost	(835)	4,067
– Interests received	944	369
– Dividends received	1,793	228
– Decrease of term deposits with maturity over three months	10,944	2,658
– Increase of term deposits with maturity over three months	(1,233)	(431)
Net cash used in investing activities	(13,078)	(22,062)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Six-month period ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
– Capital contributions from non-controlling shareholders of subsidiaries	6,536	6,092
– Proceeds from debentures	15,432	12,270
– Repayment of debentures	(4,100)	(7,000)
– Proceeds from issuance of perpetual notes	7,500	–
– Proceeds from issuance of perpetual notes by a subsidiary	500	–
– Repayment of perpetual notes	(1,500)	(4,600)
– Proceeds from bank borrowings	142,212	123,656
– Repayments of bank borrowings	(98,577)	(65,782)
– Proceeds from other borrowings	2,644	3,866
– Repayment of other borrowings	(425)	(7,695)
– Interests paid	(7,667)	(8,335)
– Dividends paid to non-controlling shareholders of subsidiaries	(1,125)	(517)
– Dividends paid to holders of perpetual notes	(299)	(494)
– Repayment of capital contribution to non-controlling interests	(8,553)	–
– Repayments of lease liabilities	(603)	(593)
– Other financing cash flows	3	(59)
Net cash generated from financing activities	51,978	50,809
Net decrease in cash and cash equivalents	(40,730)	(40,585)
Cash and cash equivalents at beginning of the period	199,485	196,150
Effect of foreign exchange rate changes	(76)	101
Cash and cash equivalents at end of the period	158,679	155,666

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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 (the “HKSE”).

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 condensed consolidated financial statements were approved for issue on 29 August 2025.

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

2. Basis of Preparation

The condensed consolidated financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024.

As at 30 June 2025, the Group’s current liabilities exceeded its current assets by approximately RMB53,303 million. Considering the Group’s sources of liquidity and the unutilised bank facilities as at 30 June 2025, the directors of the Company (the “Directors”) believe that adequate funding is available to fulfil the Group’s debt obligations and capital expenditure requirements to enable the Group to continue in operational existence for the foreseeable future when preparing these condensed consolidated financial statements for the six-month period ended 30 June 2025. Accordingly, these condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Other than application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by 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 Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. Segment Information

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");
- (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 manufacturing");

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

- (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.

The following is an analysis of the Group’s revenue and results by reportable segments:

	Six-month period ended 30 June 2025 (Unaudited)						
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	Elimination RMB million	Total RMB million
External revenue	436,246	8,912	13,753	15,614	31,489	–	506,014
Inter-segment revenue	7,681	240	2,078	–	12,554	(22,553)	–
Other revenue	3,790	263	318	202	1,915	–	6,488
Inter-segment other revenue	669	–	–	–	265	(934)	–
Segment revenue	448,386	9,415	16,149	15,816	46,223	(23,487)	512,502
Segment results							
Profit(loss) before tax	15,814	640	825	(1,443)	2,337	(1,705)	16,468
Segment results included:							
Share of post-tax (losses)/profits of joint ventures	(133)	–	11	7	4	–	(111)
Share of post-tax profits of associates	372	–	6	67	1,033	–	1,478
Interest income	1,158	64	24	67	2,765	(503)	3,575
Interest expenses	(2,372)	(50)	(51)	(1,007)	(3,924)	1,218	(6,186)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

	Six-month period ended 30 June 2024 (Unaudited)						Total RMB million
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	Elimination RMB million	
External revenue	473,047	8,965	12,024	14,481	31,132	–	539,649
Inter-segment revenue	8,966	279	4,443	–	15,358	(29,046)	–
Other revenue	2,318	107	119	362	1,967	–	4,873
Inter-segment other revenue	507	–	–	–	424	(931)	–
Segment revenue	484,838	9,351	16,586	14,843	48,881	(29,977)	544,522
Segment results							
Profit(loss) before tax	17,174	501	898	(1,177)	3,108	(1,419)	19,085
Segment results included:							
Share of post-tax (losses)/profits of joint ventures	(84)	–	26	(2)	(154)	–	(214)
Share of post-tax profits/ (losses) of associates	335	(2)	24	(9)	1,315	–	1,663
Interest income	1,176	85	55	101	3,497	(467)	4,447
Interest expenses	(2,396)	(79)	(38)	(893)	(3,767)	1,584	(5,589)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

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

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
(i) Segment interest income, before inter-segment elimination	4,078	4,914
Inter-segment elimination	(503)	(467)
Total consolidated finance income, as reported	3,575	4,447
(ii) Segment interest expenses, before inter-segment elimination	7,404	7,173
Inter-segment elimination	(1,218)	(1,584)
	6,186	5,589
Reconciling item: Imputed interest expenses on retention payables (Note 9)	311	148
Total consolidated finance costs, as reported	6,497	5,737
(iii) Segment results, before inter-segment elimination	18,173	20,504
Inter-segment elimination	(1,705)	(1,419)
	16,468	19,085
Reconciling item: Land appreciation tax ("LAT") (a) (Note 10)	355	475
Total consolidated profit before tax, as reported	16,823	19,560

(a) LAT is included as charge to segment results under segment reporting and is classified as income tax expense in the condensed consolidated statement of profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

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

Segment assets

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Infrastructure construction	1,470,158	1,379,342
Design and consulting	32,135	31,960
Equipment manufacturing	82,609	80,094
Property development	288,157	284,889
Other businesses	784,890	841,500
Inter-segment elimination	(301,018)	(380,088)
Unallocated assets	19,575	18,569
Total segment assets	2,376,506	2,256,266

Segment liabilities

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Infrastructure construction	1,201,936	1,192,314
Design and consulting	18,715	16,074
Equipment manufacturing	50,806	49,833
Property development	242,006	235,371
Other businesses	633,566	620,911
Inter-segment elimination	(299,831)	(378,299)
Unallocated liabilities	8,618	10,070
Total segment liabilities	1,855,816	1,746,274

For the purposes of monitoring segment performances 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

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

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Segment assets, before inter-segment elimination	2,657,949	2,617,785
Inter-segment elimination	(301,018)	(380,088)
	2,356,931	2,237,697
Reconciling items:		
Deferred tax assets	15,975	15,216
Non-tradable shares reform of subsidiaries (a)	(148)	(148)
Current income tax recoverable	5,457	5,036
Prepaid LAT included in current income tax recoverable	(1,709)	(1,535)
	19,575	18,569
Total consolidated assets, as reported	2,376,506	2,256,266
Segment liabilities, before inter-segment elimination	2,147,029	2,114,503
Inter-segment elimination	(299,831)	(378,299)
	1,847,198	1,736,204
Reconciling items:		
Deferred tax liabilities	5,077	4,712
Current income tax liabilities	7,235	9,075
LAT payable included in current income tax liabilities	(3,694)	(3,717)
	8,618	10,070
Total consolidated liabilities, as reported	1,855,816	1,746,274

(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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

Disaggregation of revenue from contracts with customers

Type of services and products	Six-month period ended 30 June 2025 (Unaudited)					Total RMB million
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	
Infrastructure construction contracts	436,246	–	–	–	–	436,246
Manufacturing and sales of equipment	–	–	13,753	–	–	13,753
Rendering of services	–	8,912	–	–	3,668	12,580
Sales of properties	–	–	–	15,614	–	15,614
Sales of goods and others	3,790	263	318	202	29,736	34,309
Total revenue	440,036	9,175	14,071	15,816	33,404	512,502
Timing of revenue recognition:						
– At a point of time	3,790	263	9,191	15,299	32,073	60,616
– Over time	436,246	8,912	4,769	517	–	450,444
Revenue from contracts with customers	440,036	9,175	13,960	15,816	32,073	511,060
Rental income	–	–	111	–	1,331	1,442
Total revenue	440,036	9,175	14,071	15,816	33,404	512,502

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

Type of services and products	Six-month period ended 30 June 2024 (Unaudited)					Total RMB million
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	
Infrastructure construction contracts	473,047	–	–	–	–	473,047
Manufacturing and sales of equipment	–	–	12,024	–	–	12,024
Rendering of services	–	8,965	–	–	3,396	12,361
Sales of properties	–	–	–	14,481	–	14,481
Sales of goods and others	2,318	107	119	362	29,703	32,609
Total revenue	475,365	9,072	12,143	14,843	33,099	544,522
Timing of revenue recognition:						
– At a point of time	2,318	107	7,273	14,013	32,009	55,720
– Over time	473,047	8,965	4,798	830	–	487,640
Revenue from contracts with customers	475,365	9,072	12,071	14,843	32,009	543,360
Rental income	–	–	72	–	1,090	1,162
Total revenue	475,365	9,072	12,143	14,843	33,099	544,522

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

4. Segment Information (Continued)

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

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Mainland China	475,531	510,398
Other regions (including Hong Kong and Macau)	36,971	34,124
	512,502	544,522

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:

	As at	
	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Mainland China	815,995	795,759
Other regions (including Hong Kong and Macau)	18,164	18,726
	834,159	814,485

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

5. Other Income and Expenses

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Other income from:		
Interest income from other financial assets at amortised cost	691	494
Government subsidies (a)	256	238
Compensation and claims	129	258
Interest income from financial assets at fair value through profit or loss ("FVTPL")	27	95
Income from the sale of waste and materials	26	23
Dividends from financial assets at fair value through other comprehensive income ("FVTOCI")	64	37
Others	1,034	343
	2,227	1,488
Other expenses on:		
Penalty cost	102	109
Lawsuit expenditure	19	54
Others	361	412
	482	575

- (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 condensed 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

6. Net Impairment Losses on Financial Assets and Contract Assets

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Trade and other receivables (excluding advance to suppliers)	1,661	900
Contract assets	308	520
Other financial assets at amortised cost	104	336
	2,073	1,756

7. Other Gains and Losses, Net

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Gains/(losses) on disposal and/or write-off of:		
– Right-of-use assets	15	–
– Property, plant and equipment	(24)	(10)
Losses arising on change in fair value of financial assets/liabilities at FVTPL	(100)	(68)
Foreign exchange gains, net	73	218
Others	22	42
	(14)	182

8. Losses from Derecognition of Financial Assets at Amortised Cost

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Asset-backed notes ("ABN") and asset-backed securities ("ABS")	1,349	1,615
Factoring expenses	175	21
Bills receivables discounted expenses	21	22
	1,545	1,658

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

9. Finance Income and Costs

	Six-month period ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Finance income from:		
Trade receivables and contract assets	3,196	3,829
Cash and cash equivalents and restricted cash	379	618
Total finance income	3,575	4,447
Interest expenses on:		
Bank borrowings	6,773	6,840
Long-term debentures	748	673
Other long-term borrowings	135	151
Other short-term borrowings	25	20
Total borrowing costs	7,681	7,684
Less: amount capitalised	(2,049)	(2,608)
	5,632	5,076
Lease interest expenses	55	32
Imputed interest expenses on retention payables	311	148
Others	499	481
Total finance costs	6,497	5,737

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. Borrowing costs of RMB2,049 million (six-month period ended 30 June 2024: RMB2,608 million) were capitalised in the six-month period ended 30 June 2025, of which approximately RMB1,104 million was charged to properties under development for sale, approximately RMB352 million was included in cost of construction-in-progress, and approximately RMB593 million was included in cost of intangible assets (six-month period ended 30 June 2024: approximately RMB1,744 million was charged to properties under development for sale, approximately RMB314 million was included in cost of construction-in-progress, and approximately RMB550 million was included in cost of intangible assets). A general capitalisation rate of 2.27%-5.10% (six-month period ended 30 June 2024: 2.34%-5.28%) per annum was used, representing the costs of the borrowings used to finance the qualifying assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

10. Income Tax Expense

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Current income tax		
– Enterprise income tax (“EIT”)	3,692	3,697
– LAT	355	475
– Under/(over) provision in prior years	48	(161)
Deferred income tax	(414)	(120)
	3,681	3,891

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% (six-month period ended 30 June 2024: 25%) is applied to the Group except for certain subsidiaries which were either exempted from EIT or entitled to the preferential tax rate of 20% or 15% (six-month period ended 30 June 2024: 20% or 15%) during the current interim period.

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 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%, 32.5%, 30% and 30% (six-month period ended 30 June 2024: 17%, 24%, 24%, 30%, 20%, 32.5%, 30% 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

11. Expenses by Nature

The additional information of cost of sales and services, selling and marketing expenses, administrative expenses, and research and development expenditures is as follows:

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Employee benefit expenses & subcontracting costs	216,165	237,200
Raw materials and consumables used	193,129	213,742
Equipment usage costs	20,199	21,989
Cost of property development	14,186	12,660
Cost of production safety	10,229	11,004
Depreciation of property, plant and equipment (<i>Note 14</i>) and investment properties	5,359	4,940
Amortisation of intangible assets (<i>Note 15</i>)	1,127	792
Depreciation of right-of-use assets	932	795
Amortisation of mining assets	146	74

12. Dividends

The final dividend of RMB0.178 per share in respect of the year ended 31 December 2024, amounting to RMB4,404 million in aggregate, was approved by the Company's shareholders in the Annual General Meeting on 20 June 2025, and subsequently paid off in July 2025.

The final dividend of RMB0.210 per share in respect of the year ended 31 December 2023, amounting to RMB5,198 million in aggregate, was approved by the Company's shareholders in the Annual General Meeting on 28 June 2024, and subsequently paid off in August 2024.

13. Earnings Per Share

(a) Basic

Basic earnings per share for the six-month period ended 30 June 2025 is calculated by dividing the profit attributable to owners of the Company, after deducting the profit attributable to holders of perpetual notes and the impact of 2021 Restricted Share Incentive Scheme (*Note 23*), of RMB10,163 million (six-month period ended 30 June 2024: RMB13,097 million) by weighted average number of 24,661,668,052 shares (six-month period ended 30 June 2024: 24,610,688,101 shares) in issue during the period.

(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 period ended 30 June 2025, the Company's 2021 Restricted Share Incentive Scheme has no diluted effect on earnings per share, therefore, the diluted earnings per share equals basic earnings per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

14. Property, Plant and Equipment

	Six-month period ended 30 June 2025 RMB million (Unaudited)
At 30 June 2025	
Opening net book amount	145,360
Additions (a)	8,435
Transfer from investment properties	4
Disposals	(759)
Transfer to investment properties	(61)
Depreciation	(5,075)
Currency translation differences	(15)
Closing net book amount	147,889

	Six-month period ended 30 June 2024 RMB million (Unaudited)
At 30 June 2024	
Opening net book amount	136,392
Additions (a)	9,198
Transfer from investment properties	2
Acquisition of subsidiaries	5
Disposals	(1,663)
Transfer to investment properties	(1,808)
Depreciation	(4,569)
Currency translation differences	(8)
Closing net book amount	137,549

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

14. Property, Plant and Equipment (Continued)

- (a) Additions to property, plant and equipment include:

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Construction in process	3,602	4,887
Infrastructure construction equipment	2,613	2,969
Transportation equipment	544	449
Manufacturing equipment	442	242
Testing equipment and instruments	131	149
Buildings	828	50
Other equipment	275	452
	8,435	9,198

- (b) As at 30 June 2025, bank borrowings amounting to RMB1,928 million (31 December 2024: RMB2,065 million) are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB5,877 million (31 December 2024: RMB5,885 million) (Note 27).
- (c) As at 30 June 2025, the Group is in the process of applying for registration of the ownership certificates for certain of its properties with an aggregate book carrying amount of approximately RMB1,601 million (31 December 2024: RMB2,226 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

15. Intangible Assets

	Six-month period ended 30 June 2025 RMB million (Unaudited)
At 30 June 2025	
Opening net book amount	232,245
Additions (a)	13,141
Acquisition of a subsidiary	1,170
Amortisation	(1,127)
Currency translation differences	(52)
Closing net book amount	245,377

	Six-month period ended 30 June 2024 RMB million (Unaudited)
At 30 June 2024	
Opening net book amount	183,484
Additions (a)	12,206
Acquisition of subsidiaries	4,532
Disposals	(2,185)
Amortisation	(792)
Currency translation differences	(21)
Closing net book amount	197,224

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

15. Intangible Assets (Continued)

- (a) Additions to intangible assets include:

	Six-month period ended 30 June	
	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Service concession arrangements	13,039	11,996
Non-patented technologies	11	–
Patents	1	–
Computer software	86	78
Others	4	132
Total	13,141	12,206

- (b) As at 30 June 2025, bank borrowings amounting to RMB117,031 million (31 December 2024: RMB93,476 million) are secured by service concession arrangement assets with carrying amount of approximately RMB164,653 million (31 December 2024: RMB146,304 million) (Note 27).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

16. Assets and Liabilities Related to Contracts with Customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Contract assets		
– Amounts due from contract customers for contract work and retentions	480,582	431,419
– Financial assets under concession arrangements	161,850	162,495
– Primary land development	10,641	10,180
	653,073	604,094
Less: credit loss allowance	(6,953)	(6,638)
Less: amount due after one year included in non-current assets	(262,292)	(264,336)
Amount due within one year included in current assets	383,828	333,120
Contract liabilities		
– Sale of properties	37,350	38,492
– Infrastructure construction and engineering contracts	70,636	66,897
– Amounts due to contract customers for contract work	32,751	32,762
– Sales of manufacturing products	9,132	10,072
– Design and consulting services	4,853	6,889
– Sales of materials	1,486	1,908
– Others	4,062	4,119
Total current contract liabilities	160,270	161,139

As at 30 June 2025, bank borrowings amounting to RMB41,349 million (31 December 2024: RMB45,128 million) are secured by contract assets with carrying amount of approximately RMB72,621 million (31 December 2024: RMB77,928 million) (Note 27).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

17. Financial Assets at Fair Value Through Other Comprehensive Income

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Non-current assets		
Unlisted equity investments	21,103	20,568
Listed equity securities		
– Mainland China	8	8
– Hong Kong	363	395
	21,474	20,971
Current asset		
Bills receivables	1,028	752

18. Other Financial Assets at Amortised Cost

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Debt investments		
– Short-term	16,929	28,972
– Long-term	26,685	29,086
	43,614	58,058
Less: credit loss allowance for debt investments	(5,652)	(5,547)
Total other financial assets at amortised cost	37,962	52,511
Less: amount due within one year included in current assets	(15,577)	(27,737)
Amount due after one year	22,385	24,774

The other financial assets at amortised cost carry fixed-rate interests within a range of 1.70% to 15.00% (31 December 2024: 1.75% to 15.00%) per annum.

As at 30 June 2025, debt investments amounting to RMB5,108 million (31 December 2024: RMB6,437 million) are secured by property, plant and equipment, right-of-use assets, investment properties provided by borrowers and/or guaranteed by a third party.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

19. Financial Assets/(Liabilities) at Fair Value Through Profit or Loss

(a) Financial assets at FVTPL include the following:

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Non-current assets		
Equity instrument		
Unlisted equity investments	7,789	8,542
Debt instruments		
Unlisted entrusted products	5,896	5,695
Unlisted open-end equity funds	3,076	2,907
Others	740	821
	9,712	9,423
	17,501	17,965
Current assets		
Equity instrument		
Equity securities listed in Mainland China	924	867
Debt instruments		
Money-market securities investment funds	5,779	8,015
Unlisted open-end equity funds	2,522	1,883
Unlisted entrusted products	108	68
Others	1,219	1,192
	9,628	11,158
Derivative financial instrument		
– Option contract	130	130
	10,682	12,155
Total	28,183	30,120

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

19. Financial Assets/(Liabilities) at Fair Value Through Profit or Loss (Continued)

(b) Financial liabilities at FVTPL include the following:

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Current liability		
Unlisted open-end equity funds	840	665

20. Trade and Other Receivables

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Trade and bills receivables	464,512	359,446
Less: credit loss allowance	(22,455)	(21,265)
Trade and bills receivables – net	442,057	338,181
Other receivables (net of impairment)	111,818	109,154
Advance to suppliers (net of impairment losses)	41,966	40,254
	595,841	487,589
Less: amount due after one year included in non-current assets	(145,494)	(98,762)
Amount due within one year included in current assets	450,347	388,827
Including: Trade receivables	315,560	263,758
Less: credit loss allowance	(18,045)	(17,564)
Trade receivables – net	297,515	246,194

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

20. Trade and Other Receivables (Continued)

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

	As at	
	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	396,896	297,064
1 year to 2 years	28,328	24,032
2 years to 3 years	8,935	13,509
3 years to 4 years	10,908	7,323
4 years to 5 years	3,579	3,036
More than 5 years	15,866	14,482
Total	464,512	359,446

Majority of the Group's revenue 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 and bills receivables of RMB649 million (31 December 2024: RMB555 million) were pledged to secure borrowings amounting to RMB437 million (31 December 2024: RMB445 million) (Note 27).
- (c) For the six-month period ended 30 June 2025, trade receivables of RMB29,233 million (six-month period ended 30 June 2024: RMB26,922 million) and long-term trade receivables of RMB1,502 million (six-month period ended 30 June 2024: nil) had been transferred to ABN and ABS in accordance with relevant issuance documents, and trade receivables of RMB10,226 million (six-month period ended 30 June 2024: RMB641 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 30 June 2025, bills receivables – bank acceptance and commercial acceptance notes of RMB250 million (31 December 2024: RMB1,122 million) were endorsed to suppliers and RMB1 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 30 June 2025, bills receivables – bank acceptance notes of RMB677 million (31 December 2024: RMB994 million) were endorsed to suppliers, and RMB137 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

20. Trade and Other Receivables (Continued)

- (e) As at 30 June 2025, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows:

Central-governmental enterprises

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	18,806	16,233
1 year to 2 years	2,182	2,102
2 years to 3 years	607	485
3 years to 4 years	219	214
4 years to 5 years	115	85
More than 5 years	122	103
Total	22,051	19,222

Locally-administrated state-owned enterprises

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	167,214	132,784
1 year to 2 years	15,290	12,973
2 years to 3 years	3,734	4,671
3 years to 4 years	3,056	3,398
4 years to 5 years	1,364	1,447
More than 5 years	1,825	1,635
Total	192,483	156,908

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

20. Trade and Other Receivables (Continued)

- (e) As at 30 June 2025, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows: (Continued)

China State Railway Group Co., Ltd.

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	18,381	17,200
1 year to 2 years	1,332	1,241
2 years to 3 years	536	447
3 years to 4 years	246	171
4 years to 5 years	79	222
More than 5 years	315	178
Total	20,889	19,459

Overseas enterprises

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	7,031	4,174
1 year to 2 years	313	256
2 years to 3 years	62	10
3 years to 4 years	1	12
4 years to 5 years	8	1
Total	7,415	4,453

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

20. Trade and Other Receivables (Continued)

- (e) As at 30 June 2025, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows: (Continued)

Other entities

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	39,193	33,357
1 year to 2 years	4,858	3,591
2 years to 3 years	1,100	1,354
3 years to 4 years	758	752
4 years to 5 years	285	387
More than 5 years	738	621
Total	46,932	40,062

As at 30 June 2025, the amount of individually impaired trade receivables was RMB17,532 million (31 December 2024: RMB15,777 million) with the provision for credit loss allowance of RMB9,787 million (31 December 2024: RMB9,687 million).

As at 30 June 2025, bills receivables – bank acceptance notes of RMB725 million (31 December 2024: RMB782 million) were not impaired. Commercial acceptance notes, which were collectively assessed for impairment, were RMB622 million (31 December 2024: RMB1,087 million) with the provision for credit loss allowance of RMB2 million (31 December 2024: RMB3 million).

As at 30 June 2025, the amount of collectively impaired long-term trade receivables was RMB143,807 million (31 December 2024: RMB90,288 million) with the provision for credit loss allowance of RMB1,360 million (31 December 2024: RMB689 million). The amount of individually impaired long-term trade receivables was RMB3,798 million (31 December 2024: RMB3,530 million) with the provision for credit loss allowance of RMB3,048 million (31 December 2024: RMB3,008 million).

21. Properties Under Development for Sale

As at 30 June 2025, properties under development for sale amounting to RMB13,769 million (31 December 2024: RMB6,939 million) have been pledged to secure borrowings amounting to RMB5,468 million (31 December 2024: RMB5,444 million) (Note 27).

As at 30 June 2025, there was no property under development for sale pledged to secure trade and other payables. As at 31 December 2024, properties under development for sale amounting to RMB1,635 million have been pledged to secure trade and other payables of RMB267 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

22. Share Capital

	Number of shares		Nominal value	
	Six-month period ended 30 June 2025 (thousands)	Year ended 31 December 2024 (thousands)	Six-month period ended 30 June 2025 RMB million (Unaudited)	Year ended 31 December 2024 RMB million (Audited)
A shares of RMB1.00 each				
At beginning of period/year	20,534,475	20,544,806	20,535	20,545
Repurchase and cancellation of the restricted stock	(856)	(10,331)	(1)	(10)
At end of period/year	20,533,619	20,534,475	20,534	20,535
H shares of RMB1.00 each				
At beginning and end of period/year	4,207,390	4,207,390	4,207	4,207
	24,741,009	24,741,865	24,741	24,742

As at 30 June 2025, the A Shares (20,533,619 thousands shares) and H Shares (4,207,390 thousands shares) issued are the ordinary shares in the share capital of the Company. All cash dividends in respect of the H Shares are to be declared in RMB and paid by the Company in Hong Kong dollars whereas all cash dividends in respect of A Shares are to be paid by the Company in RMB.

In addition, A Shares and H Shares are regarded as different classes of shares under the Company's Articles of Association. The differences between the two classes of shares, including provisions on class rights, the dispatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different branches of the registers of shareholders, the method of share transfer and appointment of dividend receiving agents are set out in the Company's Articles of Association.

A Shares and H Shares however rank pari passu with each other in all other respects.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

23. Shares Held for 2021 Restricted Share Incentive Scheme

	Six-month period ended 30 June 2025 RMB million (Unaudited)	Year ended 31 December 2024 RMB million (Audited)
At beginning of period/year:	333	576
Amount recorded in		
– dividends paid during the period/year	(10)	(22)
– repurchase and cancel of restricted shares	(3)	(32)
– impact of restricted shares unlocking	(151)	(189)
At end of period/year	169	333

	Number of Shares thousands (Unaudited)	Number of Shares thousands (Audited)
At beginning of period/year:	111,067	181,267
Repurchased and cancelled during the period	(856)	(10,331)
Unlocked during the period	(51,450)	(59,869)
At end of period/year	58,761	111,067

In accordance with the 2021 Restricted Share Incentive Scheme, the Company is responsible to purchase the restricted shares if certain service and performance conditions are not met. Therefore, the Company recognised the shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB606 million with 170,724,400 restricted shares registered for grant on 23 February 2022, and RMB44 million with 11,922,000 restricted shares registered for grant on 30 November 2022. As at 31 December 2024, the balance of repurchase obligation was RMB333 million with 111,066,899 restricted shares.

On 13 March 2025, the Directors approved the repurchase and cancellation of 856,199 restricted shares in total which were granted but not yet unlocked. On 12 June 2025, the Company implemented the repurchase, resulting in the reduction of shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB3 million.

On 31 March 2025, the 2021 Restricted Share Incentive Scheme participants unlocked 51,449,722 restricted shares, resulting in the reduction of shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB151 million.

On 20 June 2025, pursuant to the resolution of the 2024 annual general meeting of shareholders, the 2021 Restricted Share Incentive Scheme participants received cash dividends, resulting in the reduction of shares held for restricted share incentive scheme repurchase obligation of RMB10 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

24. Statutory Reserves

The statutory reserves comprise the statutory surplus reserve, trust compensation reserve and general risk reserve.

According to the PRC Company Law and the Company's article of association, the Company is required to make an appropriation at 10 percent of the profit for the year as shown in the PRC statutory financial statements, prepared in accordance with the PRC accounting standards, to the statutory surplus reserve fund until the balance reached 50 percent of the registered capital of the Company. The statutory surplus reserve can only make up losses or use to increase the registered capital of the Company and is not distributable.

According to the relevant laws and regulations for financial institutions and trust management entities in the PRC, certain subsidiaries of the Company are required to set aside certain amounts to trust compensation reserve and general risk reserve to address unidentified potential impairment risks.

25. Perpetual Notes

	31 December 2024 RMB million (Audited)	Additions RMB million	Redemption/ Declaration RMB million	30 June 2025 RMB million (Unaudited)
Public medium notes	1,000	—	—	1,000
Public renewable corporate bonds (a)	49,290	7,496	(1,498)	55,288
Total	50,290	7,496	(1,498)	56,288

- (a) In June 2025, the Company redeemed the public renewable corporate bonds ("Renewable Bonds") issued on 16 June 2020, in cash consideration of RMB1.5 billion.

In March, April and May 2025, the Company issued three tranches of Renewable Bonds with an aggregate principal amount of RMB3 billion, RMB2.5 billion, and RMB2 billion respectively. The Renewable Bonds are unsecured or unguaranteed and listed on the Shanghai Stock Exchange by way of bond issues to qualified investors. Pursuant to the terms and conditions of the Renewable Bonds, the Renewable Bonds has no maturity date. The interest is payable annually in arrears. Provided that compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restriction as to the number of times the distribution can be deferred.

The Directors are of the opinion that the Group has no contractual obligation to repay the principal or to pay the distribution for the Renewable Bonds, the Renewable Bonds should be classified as equity.

- (b) For the six-month period ended 30 June 2025, as a consequence of the compulsory interest payment event, i.e. the final dividend declared to the shareholders of the Company, the Company declared dividends to perpetual notes holders totaling RMB1,654 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

26. Trade and Other Payables

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Trade and bills payables (a)	826,081	773,169
Dividend payables	7,178	947
Other taxes	4,954	5,626
Accrued payroll and welfare	6,441	6,540
Deposits (b)	4,567	7,627
Deposits received in advance	1,420	1,443
Advance from customers	1,983	2,219
Other payables	244,487	245,662
	1,097,111	1,043,233
Analysed for reporting purposes as:		
Non-current	64,034	84,322
Current	1,033,077	958,911
	1,097,111	1,043,233

The credit period on purchases of goods ranges from 180 days to 360 days. As at 30 June 2025, included in trade and bills payables are retention payables of RMB30,248 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.

To ensure that suppliers can obtain financing support and facilitate the settlement in advance, the Group has entered into supplier financing arrangements. Since some arrangements do not allow the Group to obtain bank financing by extending the original repayment term, the Group believes that the debts owed to the bank should be classified as trade payables. At the end of the period, the balance of trade payables under this arrangement was RMB101,601 million, accounting for 13.04% of the total balance of trade payables (31 December 2024: RMB126,986 million, accounting for 17.75%). Among them, RMB75,412 million (31 December 2024: RMB75,560 million) has been received by suppliers from the financing provider. The payment due dates for trade payables under the supplier financing arrangement are generally consistent with those for comparable trade payables not under the supplier financing arrangement, with both ranges being 6 to 12 months.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

26. Trade and Other Payables (Continued)

- (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:

	As at	
	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Less than 1 year	760,438	724,349
1 year to 2 years	36,316	26,926
2 years to 3 years	12,992	8,907
More than 3 years	16,335	12,987
	826,081	773,169

- (b) China Railway Finance Co., Ltd. ("CREC Finance"), a subsidiary of the Company, accepted deposits from related parties and third parties. These deposits were due within one year with average annual interest rate of 1.252% (31 December 2024: 1.265%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

27. Borrowings

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Bank borrowings:		
Secured	165,080	145,510
Unsecured	322,206	297,425
	487,286	442,935
Long-term debentures, unsecured	62,203	50,907
Other borrowings:		
Secured	1,133	1,048
Unsecured	25,454	23,077
	26,587	24,125
	576,076	517,967
Analysed for reporting purposes:		
Non-current	406,565	373,736
Current	169,511	144,231
	576,076	517,967

- (a) Bank borrowings carry interest at rates ranging from 1.00% to 11.20% (31 December 2024: 0.50% to 11.20%) per annum.

Long-term debentures were issued at fixed rates ranging from 1.86% to 4.50% (31 December 2024: 2.18% to 4.80%) per annum.

Other borrowings carry interest at rates ranging from 2.36% to 4.80% (31 December 2024: 2.65% to 4.80%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

27. Borrowings (Continued)

(b) Movements in borrowings is analysed as follows

	RMB million (Unaudited)
Six-month period ended 30 June 2025	
Opening amount as at 1 January 2025	517,967
Proceeds from borrowings	160,288
Repayments of borrowings and interests	(110,770)
Net foreign exchange loss on borrowings	(75)
Accrued interest on borrowings	7,681
Acquisition of subsidiaries	985
Closing amount as at 30 June 2025	576,076

	RMB million (Unaudited)
Six-month period ended 30 June 2024	
Opening amount as at 1 January 2024	429,963
Proceeds from borrowings	139,792
Repayments of borrowings and interests	(88,812)
Net foreign exchange gain on borrowings	8
Accrued interest on borrowings	8,165
Acquisition of subsidiaries	13,359
Closing amount as at 30 June 2024	502,475

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

27. Borrowings (Continued)

(c) The details of secured borrowings are set out below:

	As at		As at	
	30 June 2025	Carrying amount of pledged assets and contract value of certain rights	31 December 2024	Carrying amount of pledged assets and contract value of certain rights
	Secured borrowings	value of certain rights	Secured borrowings	value of certain rights
	RMB million (Unaudited)	RMB million (Unaudited)	RMB million (Audited)	RMB million (Audited)
Property, plant and equipment (Note 14)	1,928	5,877	2,065	5,885
Intangible assets (Note 15)	117,031	164,653	93,476	146,304
Properties under development for sale (Note 21)	5,468	13,769	5,444	6,939
Trade and bills receivables (Note 20)	437	649	445	555
Contract assets (Note 16)	41,349	72,621	45,128	77,928
	166,213	257,569	146,558	237,611

28. Contingencies Liabilities

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Pending lawsuits (a)		
– arising in the ordinary course of business	2,010	2,576

(a) The Group has been named in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

29. Commitments

(a) Capital expenditure

Capital expenditure contracted for but not yet incurred at the balance sheet date is as follows:

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Property, plant and equipment	110	172

(b) Investment commitment

According to relevant agreements, the Group has the following commitments:

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Investment commitment to associates, joint ventures and others	33,231	38,012

30. Fair Value Measurements of Financial Instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, unlisted open-end equity funds, unlisted entrusted products, and other financial assets at FVTPL.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

30. Fair Value Measurements of Financial Instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value

Financial assets/ financial liabilities	Fair value as at (RMB million)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2025		31 December 2024				
	(Unaudited)		(Audited)				
1) Derivative financial Instrument	Assets/ Liabilities	Amount	Assets/Liabilities	Amount			
	Assets	130	Assets	130	Level 3	Option pricing model	Risk-free interest, Volatility
2) Listed equity securities and money – market securities investment funds at FVTPL	Held-for-trading financial assets in Mainland China:		Held-for-trading financial assets in Mainland China:				
	Industry	Amount	Industry	Amount			
	Finance	6,658	Finance	8,834			
	Manufacturing	41	Manufacturing	44			
	Transportation	1	Transportation	1			
	Others	3	Others	3			
		6,703		8,882	Level 1	Quoted bid prices in active markets.	N/A
3) Listed equity securities at FVTOCI	Listed equity securities in Mainland China:		Listed equity securities in Mainland China:				
	Industry	Amount	Industry	Amount			
	Transportation	8	Transportation	8			
		8		8	Level 1	Quoted bid prices in active markets.	N/A
	Listed equity securities in Hong Kong:		Listed equity securities in Hong Kong:				
	Industry	Amount	Industry	Amount			
	Manufacturing	363	Manufacturing	395	Level 1	Quoted bid prices in active markets.	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

30. Fair Value Measurements of Financial Instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

Financial assets/ financial liabilities	Fair value as at (RMB million)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)		
	30 June 2025		31 December 2024						
	(Unaudited)		(Audited)						
4) Unlisted open-end equity funds at FVTPL	Unlisted open-end equity funds in Mainland China:		Unlisted open-end equity funds in Mainland China:						
	Assets	Industry	Amount	Assets	Industry	Amount			
	Finance		2,522	Finance		1,883	Level 1	Quoted bid prices in active markets.	N/A
	Finance		3,076	Finance		2,907	Level 3	Discounted cash flow. Future cash flows are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, Discount rates that correspond to the expected risk level.
	Total		5,598	Total		4,790			
	Liabilities		Amount	Liabilities		Amount			
	Industry			Industry					
	Finance		26	Finance		28	Level 3	Discounted cash flow. Future cash flows are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, Discount rates that correspond to the expected risk level.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

30. Fair Value Measurements of Financial Instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

Financial assets/ financial liabilities	Fair value as at (RMB million)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2025 (Unaudited)	31 December 2024 (Audited)			
5) Unlisted entrusted products and other financial assets at FVTPL	Unlisted entrusted products in Mainland China:		Level 3	Discounted cash flow. Future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, Discount rates that correspond to the expected risk level.
	Industry	Amount			
	Construction	75			
	Real estate	4,119			
	Finance	3,067			
	Others	702			
	Total	7,963			
6) Unlisted equity investments at FVTOCI	Unlisted equity investments in Mainland China:		Level 3	Market valuation method by reference to P/B ratio, P/S ratio, P/E ratio, discount rate that reflects the liquidity level; and cost method by reference to the original investment cost.	P/B ratio, P/S ratio, P/E ratio, Discount rates that reflect the liquidity level, Original investment cost
	Industry	Amount			
	Construction	13,474			
	Finance	1,677			
	Manufacturing	156			
	Real estate	209			
	Others	5,587			
	Total	21,103			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

30. Fair Value Measurements of Financial Instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

Financial assets/ financial liabilities	Fair value as at (RMB million)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2025 (Unaudited)	31 December 2024 (Audited)			
7) Unlisted equity investments at FVTPL	Unlisted equity investments in Mainland China:		Level 3	Market valuation method by reference to P/B ratio, discount rate that reflects the liquidity level; and cost method by reference to the original investment cost.	P/B ratio, Discount rates that reflect the liquidity level, Original investment cost
	Industry	Amount			
	Finance	7,789			
8) Bills receivables at FVTOCI	Bills receivables in Mainland China:		Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, Discount rates that correspond to the expected risk level.
	Industry	Amount			
	Construction	1,028			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

30. Fair Value Measurements of Financial Instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

There were no transfer between Level 1 and 2 during the current interim period.

Reconciliation of Level 3 fair value measurements:

	Unlisted entrusted products RMB million (Unaudited)	Unlisted open-end funds RMB million (Unaudited)	Unlisted equity investments RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
30 June 2025					
Opening balance at 1 January	5,763	2,879	29,109	2,896	40,647
Acquisitions	714	167	753	2,311	3,945
(Losses)/gains recognised in profit or loss	(281)	4	28	(19)	(268)
Gains recognised in other comprehensive income	–	–	83	–	83
Disposals	(192)	–	(1,081)	(2,071)	(3,344)
Closing balance at 30 June	6,004	3,050	28,892	3,117	41,063
30 June 2024					
Opening balance at 1 January	6,248	2,493	27,459	3,521	39,721
Acquisitions	205	220	2,210	1,315	3,950
Gains recognised in profit or loss	11	2	–	10	23
Losses recognised in other comprehensive income	–	–	(6)	–	(6)
Disposals	(730)	(9)	(698)	(380)	(1,817)
Closing balance at 30 June	5,734	2,706	28,965	4,466	41,871

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

30. Fair Value Measurements of Financial Instruments (Continued)

(b) Fair value of financial assets and liabilities measured at amortised cost

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial information approximate to their fair values:

	As at			
	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB million	RMB million	RMB million	RMB million
	(Unaudited)		(Audited)	
Financial asset				
Other financial assets at amortised cost – fixed rate	34,260	35,940	34,491	35,783
Financial liabilities				
Long-term bank borrowings				
– fixed rate	58,121	58,767	64,001	65,692
Long-term debentures – fixed rate	62,203	61,616	50,907	50,956
Other long-term borrowings				
– fixed rate	6,850	6,209	5,850	6,148

The fair values hierarchy of the fair value of fixed rate other financial assets at amortised cost, long-term bank borrowing, long-term debentures and other long-term borrowings are included in level 3. The fair values have been determined based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties or the issuer.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

31. Related-Party Transactions

The Company is controlled by the following entity:

Name	Relationship	Place of incorporation and operation	Ownership interest	
			As at 30 June 2025	31 December 2024
CREC	Parent and ultimate holding company	PRC	46.98%	46.98%

The Company is controlled by CREC, the parent company and a state-owned enterprise established in the PRC. CREC is controlled by the PRC government (CREC and its subsidiaries other than the Group are referred to as the “CREC Group”). The Group operates in an economic environment currently predominated by entities controlled, jointly controlled or under significant influence by the PRC government (“government-related entities”).

During the period, the Group had transactions with government-related entities including, but not limited to, the provision of infrastructure construction services, survey, design and consulting services and sales of goods. The Directors consider that the transactions with these government-related entities are activities in the ordinary course of the Group’s business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and these government-related entities are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for services and products, and such pricing policies do not depend on whether or not the customers are government-related entities. For the purpose of the related party transaction disclosures, management believes that meaningful information relating to related party transactions has been adequately disclosed.

The following is a summary of significant related party transactions between the Group and its related parties during the period and balances arising from related party transactions at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

31. Related-Party Transactions (Continued)

(a) Significant related party transactions

The following transactions were carried out with related parties other than government-related entities:

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Transactions with the CREC Group		
– Rental income	43	–
– Rental expense	14	14
– Interest income	27	–
– Interest expense	1	4
– Lending funds	681	–
– Service expenses	20	31
Transactions with joint ventures		
– Revenue from construction contracts	6,064	4,072
– Revenue from sales of goods	282	192
– Rental income	5	2
– Rental expense	1	45
– Other income	58	131
– Interest expense	4	–
– Lending funds	192	–
– Repayment of lending funds	–	924
– Purchases	12	649

	Six-month period ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Transactions with associates		
– Revenue from construction contracts	11,371	11,357
– Revenue from sales of goods	744	685
– Rental expense	3	–
– Other income	96	80
– Interest expense	7	3
– Repayment of lending funds	218	74
– Purchases	9,179	7,871

These transactions are carried out on terms agreed with the counter parties in the ordinary course of business.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

31. Related-Party Transactions (Continued)

(b) Key management compensation

The remuneration of Directors and other members of key management during the year were as follows:

	Six-month period ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Basic salaries, housing allowances and other allowances	2,570	2,830
Fees	120	110
Contributions to pension plans	385	388
Share-based payment	21	512
Others	1,297	1,359
	4,393	5,199

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

31. Related-Party Transactions (Continued)

(c) Balances with related parties

	As at	
	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Balances with the CREC Group		
Trade and bills receivables	3	3
Other receivables	2	2
Other financial assets at amortised cost	2,781	2,100
Trade payables	6	7
Other payables	475	479
Advance from customers	158	209
Deposits	465	234
Lease liabilities	10	–
Balances with the joint ventures		
Trade and bills receivables	2,603	3,203
Other receivables	2,513	2,393
Other financial assets at amortised cost	3,141	3,073
Advance to suppliers	65	110
Contract assets-amounts due from contact customers for retentions	814	175
Trade payables	257	194
Other payables	3,409	41
Contract liabilities-advance from customers	832	1,004
Advance from customers	26	26
Deposits	245	3,840
Balances with associates		
Trade and bills receivables	7,849	7,299
Other receivables	799	627
Other financial assets at amortised cost	4,803	4,913
Contract assets-amounts due from contact customers for retentions	1,952	1,859
Advance to suppliers	73	171
Trade payables	3,552	3,612
Other payables	767	377
Contract liabilities-advance from customers	4,178	3,587
Advance from customers	–	2
Deposits	1,344	915

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

31. Related-Party Transactions (Continued)

(d) Guarantees

	As at 30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
Outstanding loan guarantees provided by the Group to		
– Joint ventures	5,393	5,771
– Associates	713	730
Outstanding debentures guarantees provided by CREC to the Group	3,500	3,500



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