

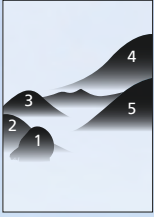


# 中國中鐵股份有限公司 CHINA RAILWAY GROUP LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock Code : 390



# 2025 ANNUAL REPORT



### Cover Legend

1. The super-large diameter shield machine Patih Galang developed by the Company
2. Dujiangyan North Water Plant Project
3. Luming Mining Industry Mining Site
4. Niulan River-Dianchi Lake Water Replenishment Project
5. Chongqing-Qianjiang Section of Chongqing-Xiamen High-Speed Railway



- Huadian Coal Industry + Buliangou Coal Mine Distributed Photovoltaic Power Station



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• Changtan River Loushui Grand Bridge of Luhongshan-Cili Expressway

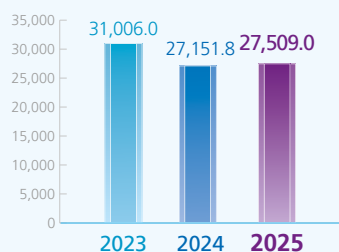


• Typical Rural Township Project of Shuidong Avenue of the “High-Quality Development Projects for Ten Thousand Villages of a Thousand Towns of a Hundred of Counties (百千萬工程)” in Maoming

# SNAPSHOT OF ANNUAL REPORT

## New contracts

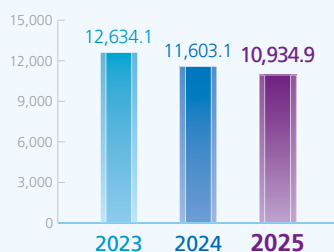
RMB'00 million



Year-on-year increase  
**1.3%**

## Revenue

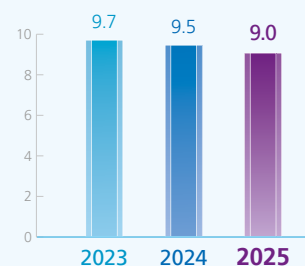
RMB'00 million



Year-on-year decrease  
**5.8%**

## Gross profit margin

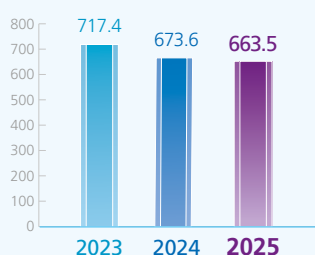
%



Year-on-year decrease  
**0.5 percentage point**

## EBITDA

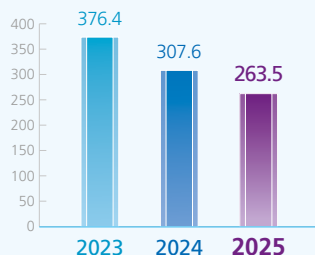
RMB'00 million



Year-on-year decrease  
**1.5%**

## Net profit

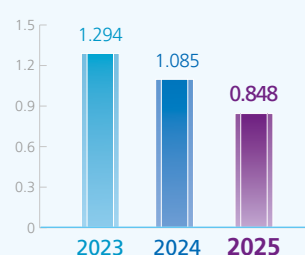
RMB'00 million



Year-on-year decrease  
**14.3%**

## Basic earnings per share

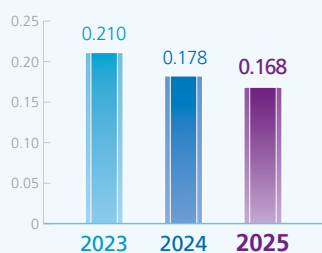
RMB/share



Year-on-year decrease  
**21.8%**

## Dividend per share (tax inclusive)

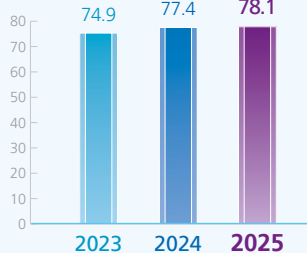
RMB/share



Year-on-year decrease  
**5.6%**

## Gearing ratio

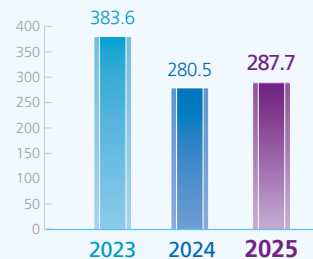
%



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

## Net cash generated from operating activities

RMB'00 million



Year-on-year increase  
**2.6%**

## COMPANY PROFILE

The Company was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") 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 group in the PRC and Asia in terms of the total revenue of the engineering contract, and rank 43rd on the 2025 Fortune Global 500 list. 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 property development and other businesses such as mining.

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



• Benxi-Huanren Expressway

# FINANCIAL SUMMARY

## Summary of Consolidated Statement of Profit or Loss

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

## FINANCIAL SUMMARY

## Summary of Consolidated Statement of Financial Position

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



- Changtai Yangtze River Bridge

# CHAIRMAN'S REPORT



## CHEN Wenjian

Chairman, Executive Director and Secretary  
to the CPC Committee

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

## CHAIRMAN'S REPORT

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



- Xiyan High-speed Railway



- China-made largest diameter shield machine exported overseas

## CHAIRMAN'S REPORT

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

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

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

## CHAIRMAN'S REPORT

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

Here, I would like to express my sincere appreciation to the shareholders who have supported China Railway's reform, to all sectors of society that have cared for the Company's development, as well as to all employees who have a shared future with the Company!

**CHEN Wenjian**

*Chairman*

Beijing, China

30 March 2026

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

## I. Changes in Share Capital

### 1. Changes in Shares

#### (1) Changes in shares

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

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

#### (2) Explanation on changes in shares

On 13 March 2025, prior to the expiration of the second unlocking period, among the 640 participants under the first grant under the 2021 Restricted Share Incentive Scheme who were eligible for the unlocking during the second unlocking period (the number of the restricted shares eligible for unlocking is 51,877,822 shares), 2 participants became ineligible 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 and cancel all of the granted but unlocked restricted shares held by the aforementioned 5 incentive participants, and adjust the matters relating to the unlocking of restrictions for the second unlocking period under the first grant. Accordingly, the number of eligible incentive participants under the first grant for the second batch of unlocking has been adjusted to 635, and the number of restricted shares eligible for unlocking has been adjusted to 51,449,722 shares.

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

The number of restricted shares unlocked and became tradable 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 ineligible 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, misconduct, 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 a total of 856,199 restricted shares granted but not yet unlocked held by the aforementioned 5 participants. The total number of shares of the Company was changed from 24,741,865,118 shares to 24,741,008,919 shares.

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

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

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

Unit: Yuan Currency: RMB

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

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

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

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

Unit: Yuan Currency: RMB

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### Notes:

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

#### (4) Other contents that the Company deems necessary or required by the securities regulatory authority to be disclosed

Not applicable

#### (5) Changes in Shares with Selling Restrictions

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### II. Issuance and Listing of Securities

**1. Issuance of securities as of the Reporting Period**

Not applicable

**2. Changes in respect of the total number of shares and the shareholder structure of the Company and changes in respect of the asset and liability structure of the Company**

Not applicable

**3. Existing shares held by internal employee**

Not applicable

### III. Information of Shareholders and Ultimate Controller

**1. Number of shareholders**

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### 2. Shareholdings of the top ten shareholders and top ten shareholders of tradable shares (or shareholders without selling restrictions) as at the end of the Reporting Period

Unit: Shares

#### Shareholdings of the top ten shareholders

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

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

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

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

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### Shareholdings of the top ten shareholders without selling restrictions

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

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

| Name of shareholder  | Number of shares held without selling restrictions  | Type and number of shares       |             |
|--|---|---------------------------------|-------------|
|  |   | Type                            | Number      |
| China Construction Bank Corporation – E Fund CSI 300 Exchange-Traded Open-Ended Index Initiated Securities Investment Fund | 120,631,061   | RMB-denominated ordinary shares | 120,631,061 |
| Explanation of the share repurchase account situation among the top ten shareholders                                       |   |                                 | Nil         |
| Explanation of the above shareholders' entrusted voting rights, delegated voting rights, and waived voting rights          |   |                                 | Nil         |
| Explanation of the aforementioned shareholder relationships or concerted actions   | The Company's largest shareholder, China Railway Engineering Group Company Limited, does not have any related-party relationship with the aforementioned other shareholders and is not a concert party with them. The Company is unaware of whether there are any related-party relationships or concert party relationships among the aforementioned other shareholders. |                                 |             |
| Explanation of preferred shareholders with restored voting rights and number of shares held                                |   |                                 | Nil         |

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

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

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

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

3. **Particulars of shares lent in the refinancing business by shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders without selling restrictions**  
Not applicable
4. **Change in top ten shareholders and the top ten shareholders without selling restrictions as compared to the previous period as a result of refinancing lending/returning**  
Not applicable
5. **Shareholdings of top ten shareholders of shares with selling restrictions and terms of selling restrictions**  
Not applicable
6. **Strategic investors or general legal persons becoming the top ten shareholders by placing of new shares**  
Not applicable

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### IV. Information on Controlling Shareholder and Ultimate Controller

#### 1. Details of controlling shareholder

##### (1) Legal person

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

##### (2) Natural person

Not applicable

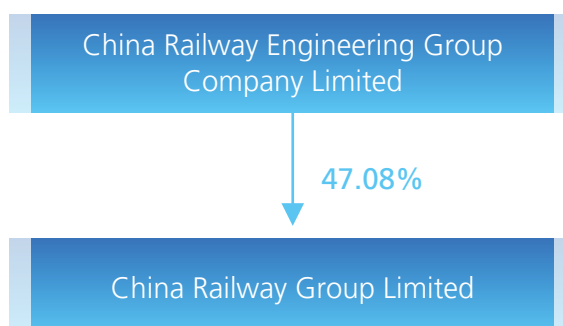
##### (3) Special explanation that the Company does not have any controlling shareholder

Not applicable

##### (4) Details of changes of the controlling shareholder during the Reporting Period

Not applicable

##### (5) The diagram of the interests and controlling relationships between the Company and the controlling shareholder



## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### 2. Details of ultimate controller

#### (1) Legal person

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

#### (2) Natural person

Not applicable

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

Not applicable

#### (4) Details of changes of the ultimate controller during the Reporting Period

Not applicable

#### (5) The diagram of the interests and controlling relationships between the Company and the ultimate controller



#### (6) Ultimate controller controls the Company through trust or other asset management methods

Not applicable

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### V. The Company's Controlling Shareholder or the Largest Shareholder and the Parties Acting in Concert thereof holding Cumulative Pledged Shares accounting for over 80% of the Company's Shares

Not applicable

### VI. Other Legal Person Shareholders with Shareholding of over 10%

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

### VII. Information on the Restrictions on Reduction of Shareholdings

Not applicable

### VIII. Details of Repurchase of Shares during the Reporting Period

Details are set out in "Purchase, Sale or Redemption of the Company's Listed Securities" on page 75 to page 76 of this annual report.



- Chaohu-Ma'anshan Intercity Railway under construction

# BUSINESS OVERVIEW

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

## I. Industry Development Overview

### 1. Engineering construction

#### (1) Domestic

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

In 2025, China strengthened fiscal funding guarantees, successfully concluding the issuance of RMB1.3 trillion in ultra-long-term special treasury bonds, focusing on supporting the construction of “Two Priorities” projects and the “Two New” initiatives, RMB800 billion of which was allocated to support the construction of “Two Priorities” projects, while RMB500 billion was used to expand and intensify the implementation of “Two New” policies. Approximately 8,400 equipment upgrade projects were supported, driving total investment exceeding RMB1 trillion; throughout the year, RMB4.4 trillion was allocated to local government special bonds, representing an increase of RMB500 billion compared to 2024. Additionally, RMB6 trillion was allocated to replace existing implicit debts within the prescribed quota with local special debts, mainly used for investment and construction, land reserve and acquisition of existing commercial housing, and clearing local government arrears owed to enterprises. These measures precisely empower the infrastructure sector, bringing tangible benefits to construction enterprises in

## BUSINESS OVERVIEW

alleviating difficulties and ensuring steady development, while solidifying policy support for the industry's transformation and upgrading. Moreover, China has taken the in-depth advancement of the national unified market construction and the comprehensive rectification of "involution" competition as the core measures to comprehensively regulate the development of the construction industry, built a fair and open market environment, and promoted the industry to shift from homogeneous competition based on scale and low prices to a high-quality development path that emphasizes technology, quality and management.

### (2) International

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

## 2. Design and consulting

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

## BUSINESS OVERVIEW

### 3. Equipment manufacturing

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

### 4. Featured property

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

## BUSINESS OVERVIEW

### 5. Asset operation

As a key lever for “stabilizing growth, adjusting structure, and improving people’s livelihoods”, infrastructure investment has effectively served as a “ballast stone” to cushion economic fluctuations and stabilize overall investment. Over the past year, it has provided a solid foundation for socioeconomic development and the successful conclusion of the “14th Five-Year” Plan. Key sectors such as transportation infrastructure have shifted from “scale expansion” to “quality and efficiency enhancement”, marking the industry’s transition into a new phase of more sustainable development. In 2025, with the combined effect of multiple favorable policies including ultra-long-term special treasury bonds, policy-based financial instruments and local government special bonds, infrastructure investment in key sectors has achieved rapid growth. Investment in the pipeline transportation sector rose by 36.0%, investment in multimodal transport and freight forwarding increased by 22.9%, and investment in water transport grew by 7.7%. At the same time, private investment in infrastructure has been effectively stimulated. In 2025, private infrastructure investment grew by 1.7% year-on-year, accounting for 21.0% of total infrastructure investment. In August 2025, the General Office of the State Council forwarded the Guiding Opinions on Regulating the Construction and Operation of Existing Government and Social Capital Cooperation Projects of the Ministry of Finance, further standardizing the construction and operation of PPP existing projects, enhancing the quality and efficiency of project operation, continuously improving the level of public service supply, and promoting the stable and healthy development of the economy and society. With strong support from macroeconomic policies and the continuous optimization of investment structure, the infrastructure investment sector is fostering new momentum.

### 6. Resource utilization

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

## BUSINESS OVERVIEW

### 7. Financial and merchandise trading

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

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

## BUSINESS OVERVIEW

### 8. Emerging business

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

## II. Business Development Overview

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



• MKM Copper Mine Smelter

## BUSINESS OVERVIEW

– **Targeted efforts to fulfill national strategic missions through major projects.** The Company has proactively integrated into the regional coordinated development strategy, major regional strategies, and main functional area strategies. During the Reporting Period, more than 2,400 new projects were started; the Dadu River Extra Large Bridge on the Sichuan-Tibet Railway was successfully completed; and multiple high-speed railways, including the Xi'an-Yan'an, Guangzhou-Zhanjiang, Baotou-Yinchuan, Shenyang-Baihe, and Chongqing-Qianjiang lines, were smoothly put into operation. During the 14th Five-Year Plan period, over 6,300 kilometers of high-speed railways were constructed, with a cumulative total of more than 22,000 kilometers built. Key projects such as the Changtai Yangtze River Bridge, the Yellow River Three Gorges Bridge, the Zhengzhou-Kaifeng Intercity Railway, Tianjin Metro Line 4, and the Beijing-Yuxian Expressway were completed and put into operation, helping to continuously improve the national comprehensive three-dimensional transportation network. The largest water conservancy project in Inner Mongolia, the Chuoer River-Liao River Water Diversion Project, and the Guangzhou Baiyun International Airport Transportation Center Complex were delivered, providing solid support for regional ecological restoration and economic and social development, and significantly enhancing the Company's brand value and influence.

## BUSINESS OVERVIEW

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

– **Striving for innovation, we have stimulated the inherent driving force for corporate development through deepened reform.** Adhering to the principles of adapting to changes, responding to changes and pursuing changes, the Company has focused on enhancing its core functions and core competitiveness, coordinated the development of productive forces and the optimization of production relations, and promoted the transformation of the enterprise from scale expansion to quality improvement, from factor-driven to innovation-driven growth, and from extensive management to lean governance, thus continuously unlocking development momentum. During the Reporting Period, actions for deepening and upgrading reforms were successfully concluded, with all 426 core tasks fully completed. The Company vigorously advanced the capacity building of its headquarters and continued to rectify formalism to reduce burdens at the grassroots level. The Company steadily advanced key reform tasks. During the Reporting Period, the Company accelerated the establishment of a new operation system, abolished 6 regional headquarters, vigorously promoted professional integration, and implemented the merger and restructuring of China Railway South Investment Group Co., Ltd. and China Railway (Guangzhou) Investment Development Co., Ltd. to promote flat management in operation. The Company continued to deepen the reform of the three systems, with a focus on grassroots orientation and performance orientation. The Company implemented the integrated advancement of “standardization, prioritisation and incentives”, strengthened the linkage between total wages and economic benefits, optimized the assessment system featuring “one policy for one sector and one policy for one enterprise”, and fully standardized the tenure system and contractual management of members of the managerial level, further improving the market-oriented operation mechanism of the enterprise.

## BUSINESS OVERVIEW

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

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

## BUSINESS OVERVIEW

The main business operations of the Group during the Reporting Period are described as follows:

### 1. New contracts

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

#### New contract value

Unit: '00 million Currency: RMB

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

## BUSINESS OVERVIEW

### 2. Developments of the principal business segments

#### (1) Engineering construction

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

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

## BUSINESS OVERVIEW

### (2) Design and consulting

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

### (3) Equipment manufacturing

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

## BUSINESS OVERVIEW

### (4) Featured property

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

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

### (5) Asset operation

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

## BUSINESS OVERVIEW

### (6) Resource utilization

The Company's resource utilization business is mainly based on the management and development of mining entities. Currently, it wholly owns, controls or holds shares to invest in the construction of five modern mines at home and abroad, including Luming Molybdenum Mine, Heilongjiang, Luishia Copper-Cobalt Mine, Compagnie Minière de Luisha S.A.S, Congo, MKM Copper-Cobalt Mine, SICOMINES Copper-Cobalt Mine, and Wulan Lead and Zinc Mine, Mongolia, all of which are in good conditions. The main mineral products produced and sold by the Company include concentrate of varieties involving copper, cobalt, molybdenum, lead, zinc and others, copper cathode and cobalt hydroxide. Currently, the retained reserves of copper, cobalt and molybdenum of the Company are in the leading position in the same industry in China, and the mines' production capacity for copper and molybdenum has been at the forefront in the same industry in China. The Company is steadily advancing the development of its mineral resources. In March 2026, a joint venture formed by China Railway Resources, a wholly-owned subsidiary of the Company, and China Gold International successfully secured the exploration rights for the Fuxingtun Lead-Zinc Polymetallic Mine in Xing'an League. In recent years, the Company has been using the management and development of mining entities as the foundation to continuously expand its mining services business, including ore stripping and the sale of mining equipment, and further acquired projects of construction sand and gravel aggregates. In 2025, the Company's mineral resources business maintained steady production and operation, producing 299,900 tonnes of copper metal, 5,577.99 tonnes of cobalt metal, 14,200 tonnes of molybdenum metal, 8,887.75 tonnes of lead metal, 28,400 tonnes of zinc metal and 34.52 tonnes of silver metal.

## BUSINESS OVERVIEW

| Mineral Resource Projects (as at 31 December 2025) |  |                        |                             |                           |             |                  |                  |                                |                                       |
|--|--|------------------------|-----------------------------|---------------------------|-------------|------------------|------------------|--------------------------------|---------------------------------------|
| No.  | Project name   | Type                   | Grade                       | Retained resources/       | Equity      | Planned total    | Cumulative       | Production                     | Project                               |
|  |  |                        |                             | reserves                  | ratio       |                  |                  |                                |                                       |
|  |  |                        |                             | (tons)                    | (%)         | (RMB'00 million) | (RMB'00 million) | the Reporting                  |                                       |
|  |  |                        |                             |                           |             |                  |                  | Period                         |                                       |
|  |  |                        |                             |                           |             |                  |                  | (tons)                         |                                       |
| 1  | Luming Molybdenum Mine,<br>Yichun, Heilongjiang                              | Molybdenum<br>Copper   | 0.09%<br>/                  | 585,741<br>/              | 83%<br>/    | 60.17            | 60.26            | 14,157.44<br>1,439.33          | In normal<br>production               |
| 2  | SICOMINES Copper- Cobalt<br>Mine   | Copper<br>Cobalt       | 3.16%<br>0.26%              | 6,008,131<br>485,587      | 41.72%<br>/ | 45.86            | 30.92            | 253,756.56<br>5,377.88         | In normal<br>production               |
| 3  | Luishia Copper-Cobalt Mine   | Copper<br>Cobalt       | 2.15%<br>0.09%              | 447,567<br>17,818         | 67%<br>/    | 21.38            | 21.60            | 24,766.53<br>200.11            | In normal<br>production               |
| 4  | MKM Copper-Cobalt Mine   | Copper<br>Cobalt       | 2.08%<br>0.21%              | 31,049<br>3,159           | 75.2%<br>/  | 11.95            | 12.35            | 19,961.89<br>0                 | In normal<br>production               |
| 5  | Wulan Lead and Zinc Mine,<br>Xinxin Company                                  | Lead<br>Zinc<br>Silver | 1.14%<br>2.84%<br>55.08 g/t | 153,844<br>383,031<br>742 | 100%<br>/   | 15.40            | 15.40            | 8,887.75<br>28,437.29<br>34.52 | In normal<br>production<br>production |
| 6  | Muhaer Lead and Zinc Mine,<br>Xinxin Company                                 | Lead<br>Zinc<br>Silver | 0.63%<br>2.37%<br>118.17g/t | 41,141<br>154,709<br>770  | 100%<br>/   | -                | -                | -                              | Under<br>development                  |
| 7  | Wurle Ovoo and Zhanggai<br>Tolgoi Gold Mine, Xinxin<br>Company               | Gold                   | 3g/t                        | 3                         | 100%        | -                | -                | -                              | Not yet<br>exploited                  |
| 8  | Silver-Lead-Zinc Polymetallic<br>Mine, Chafu, Xianglong<br>Mineral Co., Ltd. | Lead<br>Zinc<br>Silver | 7%<br>5.09%<br>200.39g/t    | 89,697<br>65,193<br>257   | 100%<br>/   | -                | -                | -                              | Ceased<br>production                  |

### (7) Financial and merchandise trading

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

## BUSINESS OVERVIEW

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

### **(8) Emerging business**

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

## BUSINESS OVERVIEW

### III. Scientific Research Investment and Technological Achievements

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

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

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

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

### IV. Establishment and Implementation of Safety and Quality System

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

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

## BUSINESS OVERVIEW

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

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

### V. Implementation of Environmental Protection Measures

The details are set out in the “Environmental Information on Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Whose Environmental Information is Disclosed in Accordance with the Law” on page 330 to page 331 of this annual report.

### VI. Compliance with Laws and Regulations

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

## BUSINESS OVERVIEW

### VII. Maintenance of Relationship with Stakeholders

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

### VIII. Outlook

#### Industry Landscape and Trends

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

During the "15th Five-Year Plan" period, China's construction industry will undergo profound changes in four major directions, namely transformation and upgrading, ecological construction, safe development and global division, embarking on a new journey of higher quality and more sustainable development. **Firstly, placing greater emphasis on industrial transformation and upgrading.** The construction industry is led by technological innovation to accelerate the transformation towards high-end, intelligent and green development. In terms of high-end development, the urban development is shifting from quantity expansion to quality improvement, and the construction demand is evolving from "availability" to "quality", which will drive the products to upgrade to quality carriers throughout their entire life cycle, and enterprises to transform from engineering contractors to comprehensive service providers. In terms of intelligence, relying on technologies such as artificial intelligence, BIM and digital twins, intelligent construction and industrialization are deeply coordinated, and the construction paradigm is making a leap from traditional construction to digital-driven and intelligent operation and maintenance. In terms of greening, the development of green buildings is shifting from policy-driven to endogenous value creation, ultra-low energy consumption and near-zero energy consumption buildings are being promoted at scale, and full-lifecycle low-carbon has become the core development concept of the industry. **Secondly, placing greater emphasis on the construction of industrial ecosystem.** The construction industry is undergoing a transformation from fragmented competition to collaborative symbiosis, with integration and anti-involution becoming the main themes. On the one hand, the integrated development of multiple networks such as transportation, energy and information is driving enterprises to break boundaries, integrate resources throughout the entire industrial chain, and mobilize cross-border forces from technology, finance, manufacturing and other fields to innovate the "construction+" integration model. On the other hand, to address issues such as low-price bidding and homogeneous internal

## BUSINESS OVERVIEW

friction, an industrial ecosystem centered on chain master enterprises is accelerating its formation. The industry is shifting from price wars to value competition, and from a zero-sum game to win-win collaboration. Large, medium and small enterprises are pursuing differentiated development and complementary symbiosis, making ecosystem leadership the core competitiveness of leading enterprises. **Thirdly, placing greater emphasis on the safe development of industries.** During the “15th Five-Year Plan” period, the industry will pay more attention to stabilizing operations, preventing risks and adhering to the bottom line, guard against debt risks, liquidity risks and the chain reactions brought about by differentiation and market clearing, and take safe and stable operation as the prerequisite for high-quality development. **Fourthly, placing greater emphasis on global industrial division.** China’s construction industry is shifting from “going out” to “integrating in”, achieving high-quality international development. In terms of market layout, the industry is deepening its presence in the traditional markets along the “Belt and Road”, focusing efforts on high-end sectors such as smart transportation and zero-carbon buildings, and breaking into the high-end markets in Europe and the US. In terms of technical standards, the industry is shifting from following and imitating to leading and exporting, thereby strengthening its international discourse power in intelligent and green construction. In terms of industrial chain, the industry is shifting from operating in isolation to going global as clusters, promoting regional layout of the supply chain, providing integrated solutions, and upgrading the business model to full-lifecycle services of “investment – construction – operation”, thereby enhancing global resource allocation and international competitiveness.

### Corporate Development Strategy

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

## BUSINESS OVERVIEW

### IX. Operating Plan

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



• Liangwang Vehicle Base of Jinan Metro Line 6

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. Financial Performance Overview

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

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

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

## II. Consolidated Results of Operations

### Revenue

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

### Cost of sales and services and gross profit

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

### Other income

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

### Other expenses

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

### Net impairment losses on financial assets and contract assets

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

### Other gains, net

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Losses from derecognition of financial assets at amortised cost

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



- Chongqing Section of Nanning-Pingxiang High-speed Railway



- Zhangpu Liua Offshore Wind Power Farm Phase II

## MANAGEMENT DISCUSSION AND ANALYSIS

### Selling and marketing expenses

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

### Administrative expenses

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

### Research and development expenditures

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

### Finance costs, net

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

### Profit before income tax

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

### Income tax expense

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

### Profit for the year attributable to owners of the Company

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### III. Segment Results

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

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

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

#### Infrastructure construction business

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Survey, design and consulting services business

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

### Engineering equipment and component manufacturing business

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

### Property development business

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

### Other businesses

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



- Beam replacement and renovation project of Beijing-Tongliao Railway

## MANAGEMENT DISCUSSION AND ANALYSIS

### IV. Cash Flow

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

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

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

#### Capital expenditure

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Working capital

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

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

### Trade and bills receivables

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Trade and bills payables

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### V. Borrowings

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

## VI. Contingent Liabilities

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### VII. Business Risks

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

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

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

### VIII. Material Acquisitions or Disposals

Save as disclosed in this annual report, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

### IX. Future Plans for Material Investments or Acquisitions of Capital Assets and Expected Source of Funding

Save as disclosed in this annual report, the Group did not have any other plans for material investments or acquisition of capital assets as at 31 December 2025.

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## I. Directors



**CHEN Wenjian**

*Chairman, Executive Director and Secretary to the CPC Committee*

**CHEN Wenjian (陳文健)**, aged 53, senior engineer, currently is the Secretary to the CPC Committee of the Company, Chairman and an executive director of the Company, Chairman of the Strategy and Investment Committee of the Board and Chairman of the Nomination Committee of the Board, and is concurrently the Secretary to the CPC Committee and the Chairman of CREC. He served as the general manager and the Secretary to the CPC Committee of the Algeria branch of China State Construction Engineering Corporation Limited (“**CSCEC**”) from January 2007 to September 2014; the general manager of the Overseas Business Department of CSCEC from September 2014 to August 2016; the general manager and the Secretary to the Community Party Working Committee of the Overseas Business Department of CSCEC from August 2016 to December 2017; the general manager and the Secretary to the Community Party Working Committee of the Overseas Business Department of CSCEC and the general manager of the Overseas Department of CSCEC from December 2017 to June 2018; the general manager of the Overseas Department of CSCEC and the Chairman and the Secretary to the CPC Committee of the China State Construction Engineering Corporation International Operations (“**CSCEC International Operations**”) from June 2018 to October 2018; the general manager of the Overseas Department of CSCEC, the Chairman and the Secretary to the CPC Committee of CSCEC International Operations and the Chairman of China Construction (South Pacific) Development Co., Pte Ltd. from October 2018 to March 2020; the Secretary to the CPC Committee and the Chairman of the China Construction Third Engineering Bureau Co., Ltd. from March 2020 to November 2020. He served as the general manager, a director and the Deputy Secretary to the CPC Committee of CREC from November 2020 to December 2020. He served as the President, an executive director, and the Deputy Secretary to the CPC Committee of the Company, and the general manager, a director and the Deputy Secretary to the CPC Committee of CREC from December 2020 to February 2025; he served as the Secretary to the CPC Committee, the President and an executive director of the Company, and the Secretary to the CPC Committee and the Chairman of CREC from February 2025 to March 2025; he has served as the Secretary to the CPC Committee and the Chairman of the Company, and the Secretary to the CPC Committee and the Chairman of CREC since March 2025.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

**ZHAO Dianlong**

*Executive Director, President,  
and Deputy Secretary to the CPC  
Committee*

**ZHAO Dianlong (趙佃龍)**, aged 52, senior engineer entitled to special government allowances from the State Council. He is currently the Deputy Secretary to the CPC Committee, executive Director and President of the Company, and Chairman of the Safety, Health and Environmental Protection Committee of the Board. He concurrently serves as the general manager, director, and deputy secretary to the CPC Committee of CREC. He previously served as the secretary to the CPC Committee and vice chairman of CRCC International Group Co., Ltd.; the general manager, director and the deputy secretary to the CPC Committee of China Civil Engineering Construction Corporation. He served as the secretary to the CPC Committee and chairman of China Civil Engineering Construction Corporation from April 2019 to July 2021; member of the Standing Committee of the CPC Committee of China Railway Construction Corporation from July 2021 to August 2021; member of the Standing Committee of the CPC Committee of China Railway Construction Corporation and member of the Standing Committee of the CPC Committee and vice president of China Railway Construction Corporation Limited from August 2021 to January 2026; President and Deputy Secretary to the CPC Committee of the Company, and general manager and director and Deputy Secretary to the CPC Committee of CREC from January 2026 to February 2026. He has served as an executive Director, President, Deputy Secretary to the CPC Committee of the Company, and general manager, director and Deputy Secretary to the CPC Committee of CREC from February 2026 to present.

**WEN Limin**

*Non-executive Director*

**WEN Limin (文利民)**, aged 59, senior accountant and certified public accountant, currently is a non-executive director of the Company and an external director of China Aerospace Science & Technology Corporation and an external director of China First Heavy Industries Group Co., Ltd. He served as the chief accountant of Dongfang Electric Corporation Limited from September 2005 to August 2016 with concurrent position as the Chairman of the Supervisory Committee of Dongfang Electric Co., Ltd. from June 2014 to March 2018, the chief accountant and a member of the CPC Committee Leadership Group of Dongfang Electric Corporation Limited from August 2016 to January 2018, and the chief accountant and a member of the CPC Committee Leadership Group of China Southern Power Grid Company Limited from January 2018 to September 2020. He has been an external director of China Aerospace Science & Technology Corporation and an external director of China First Heavy Industries Group Co., Ltd. since December 2020. He has been a non-executive director of the Company since March 2021.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT



**XIU Long**

*Independent Non-executive Director*

**XIU Long (修龍)** (other former name XIU Long (修瓏)), aged 68, senior engineer, researcher and an expert enjoying the special government allowance from the State Council, currently is an independent non-executive director of the Company and Chairman of the Remuneration and Appraisal Committee of the Board, an external director of China Green Development and Investment Group Co., Ltd. and concurrently the Chairman of the Architectural Society of China. He served as the President and the Deputy Secretary to the CPC Committee of China Architecture Design & Research Group from January 2007 to December 2017 with concurrent position as the Chairman of China Construction Technology Consulting Co., Ltd in 2014, and the Secretary to the CPC Committee and the Chairman of China Construction Technology Co., Ltd. from January 2018 to July 2020 with concurrent positions as the Secretary to the CPC Committee and the Chairman of China Construction Technology Consulting Co., Ltd. He has been the Chairman of the Architectural Society of China since 2016 and an external director of China Green Development and Investment Group Co., Ltd. since November 2020. He has been an independent non-executive director of the Company since March 2021.



**SUN Lishi**

*Independent Non-executive Director*

**SUN Lishi (孫力實)**, aged 63, senior economist, currently is an independent non-executive director of the Company and Chairlady of the Audit and Risk Management Committee of the Board. From August 2005 to May 2015, she successively served as director, employee director, deputy secretary to the CPC Committee, Secretary to the Disciplinary Committee and Chairlady of the Labour Union of China Hi-Tech Group Corporation. She served as Deputy Secretary to the CPC Committee and secretary to the Disciplinary Committee of China National Building Material Group Co., Ltd. (then known as China National Building Materials Group Corporation) from May 2015 to August 2016, Deputy Secretary to the CPC Committee, employee director and Chairlady of the Labour Union of China National Building Material Group Co., Ltd. from August 2016 to July 2022. Since June 2024, she has been an external director of China Forestry Group Co., Ltd. She has been an independent non-executive director of the Company since August 2024.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

**TU Haiming***Independent Non-executive Director*

**TU Haiming (屠海鳴)**, aged 64, currently is an independent non-executive director of the Company, a deputy director of the National Committee of CPPCC for Liaison with Hong Kong, Macao, Taiwan and Overseas Chinese, a member of the 14th National Committee of the Chinese People's Political Consultative Conference, and the chairman of the Hong Kong New Era Development Think Tank. Since February 1990, he has been the chairman and general manager of Hodoor International Limited. Since February 1992, he has been the chairman of Shanghai Haodu Real Estate Development Management Co., Ltd. Since September 2017, he has been the chairman of the Hong Kong New Era Development Think Tank. Since December 2020, he has been the deputy dean and visiting professor of the Institute of "One Country, Two Systems" and Basic Law of Jinan University. He has been an independent non-executive director of the Company since August 2024.

**FANG Xiaobing***Non-executive Director*

**FANG Xiaobing (房小兵)**, aged 55, senior certified public accountant and senior auditor, currently serves as a non-executive director of the Company, a member to the CPC Committee and Deputy General Manager of China Guoxin Holdings Co., Ltd., Deputy Secretary to the CPC Committee of the full-time external directors of central enterprises, Supervisor of Guoxin International Investment Co., Ltd., and a non-executive director of China Tower Corporation Limited. From December 2011 to August 2014, he served as Chief Accountant, Executive General Manager, and Chief Financial Officer of the Overseas Business Department and International Engineering Branch of China Communications Construction Company Ltd.; from August 2014 to November 2019, he served as General Manager of the Financial Management Department of China Communications Construction Company Ltd.; from November 2019 to present, he has served as a member to the CPC Committee and Deputy General Manager of China Guoxin Holdings Co., Ltd.; and since June 2025, he has served as a non-executive director of the Company.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### II. Senior Management



**SUN Cui**  
*Chief Accountant*

**SUN Cui (孫隽)**, aged 59, senior accountant, currently is a member of the CPC Committee and Chief Accountant of the Company, and is also a Standing Member of the CPC Committee of CREC. He served as a member of Preparatory Group and a temporary member of the CPC Committee of Power Construction Corporation of China, and a Standing Member of the CPC Committee of Sinohydro Corporation and chief accountant and Standing Member of the CPC Committee of Sinohydro Group Ltd. from March 2011 to August 2011; the chief accountant of Power Construction Corporation of China, a Standing Member of the CPC Committee of Sinohydro Corporation, and chief accountant and Standing Member of the CPC Committee of Sinohydro Group Ltd. from August 2011 to December 2011; the chief accountant of Power Construction Corporation of China and a Standing Member of the CPC Committee of Sinohydro Corporation from December 2011 to February 2014; a Standing Member of the CPC Committee of Power Construction Corporation of China and a Standing Member of the CPC Committee and chief accountant of Powerchina Limited from February 2014 to January 2020; a Standing Member of the CPC Committee of CREC from January 2020 to March 2020; a Standing Member of the CPC Committee and chief accountant of the Company and a Standing Member of the CPC Committee of CREC from March 2020 to November 2023. He has been a member of the CPC Committee and chief accountant of the Company and a Standing Member of the CPC Committee of CREC since November 2023.



**REN Hongpeng**  
*Vice President*

**REN Hongpeng (任鴻鵬)**, aged 52, senior engineer, currently is a member of the CPC Committee and the Vice President of the Company and a Standing Member of the CPC Committee of CREC. He served as a deputy general manager of China Road and Bridge Corporation from September 2011 to August 2015, a deputy general manager and Standing Member of the CPC Committee of China Road and Bridge Corporation from August 2015 to December 2015; a deputy general manager and Standing Member of the CPC Committee of China Road and Bridge Corporation and director of CCCG Real Estate Group Co., Ltd. from December 2015 to January 2016; a director of CCCG Real Estate Group Co., Ltd., director, general manager (legal representative) and temporary Secretary to the CPC Committee of CCCG Overseas Real Estate Pte. Ltd. from January 2016 to February 2017; a director and temporary member of CPC Committee of CCCG Real Estate Group Co., Ltd. and a director, general manager (legal representative) and temporary Secretary to the CPC Committee of CCCG Overseas Real Estate Pte. Ltd. from February 2017 to June 2018. He served as the Vice President of the Company from June 2018 to February 2021; the Vice President of the Company and a Standing Member of the CPC Committee of CREC from February 2021 to March 2021; a Standing Member of the CPC Committee and Vice President of the Company and a Standing Member of the CPC Committee of CREC from March 2021. He has been a member of the CPC Committee and the Vice President of the Company and a Standing Member of the CPC Committee of CREC since November 2023.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT



**HUANG Chao**  
*Vice President*

**HUANG Chao (黃超)**, aged 48, senior engineer, currently is a member of the CPC Committee and the Vice President of the Company and a Standing Member of the CPC Committee of CREC. He served as the Secretary of the CPC Committee and division chief of the Line Transportation Division of China Railway First Institute from March 2008 to October 2015; the Vice President of China Railway First Institute from October 2015 to December 2019; the Deputy Secretary of the CPC Committee, a director and President of China Railway Fifth Institute from December 2019 to August 2021; the Secretary of the CPC Committee and Chairman of China Railway First Survey and Design Institute Group Co., Ltd. from August 2021 to July 2024; and the Vice President of the Company and a Standing Member of the CPC Committee of CREC from July 2024 to January 2025. He has been a member of the CPC Committee and Vice President of the Company, and a Standing Member of the CPC Committee of CREC since January 2025.



**GENG Shubiao**  
*Vice President*

**GENG Shubiao (耿樹標)**, aged 47, senior economist and senior engineer, currently is a member of the CPC Committee and Vice President of the Company and a Standing Member of the CPC Committee of CREC. He served as the general manager, Deputy Secretary to the CPC Committee and Vice Chairman of China Railway No.4 Engineering Group No. 3 Construction Company Limited from May 2011 to June 2014; the assistant general manager of China Railway No.4 Engineering Group Co., Ltd. from June 2014 to August 2015; the deputy general manager of China Railway No.4 Engineering Group Co., Ltd. from August 2015 to February 2016; the deputy general manager and general counsel of China Railway No.4 Engineering Group Co., Ltd. from February 2016 to December 2019; the deputy general manager of China Railway No.4 Engineering Group Co., Ltd. and permanent deputy head of the Preparatory Group of China Railway Professional Waterworks and Environmental Protection Company (later China Tiegong Investment and Construction Co., Ltd.) from December 2019 to January 2020; the general manager, Deputy Secretary to CPC Committee and a director of China Tiegong Investment and Construction Co., Ltd. from January 2020 to May 2021; the head (director) of the Planning and Development Department (Corporate Management Laboratory) of the Company, general manager of China Railway High Quality Development Research Institute Co., Ltd., and director of the "Three Transformations" Research Institute of China Railway from May 2021 to June 2022. He has been the assistant to the President of the Company, head (director) of the Planning and Development Department (Corporate Management Laboratory) of the Company, general manager of China Railway High Quality Development Research Institute Co., Ltd., and director of the "Three Transformations" Research Institute of China Railway since June 2022; the Vice President of the Company and a Standing Member of the CPC Committee of CREC since September 2024. He has been a member of the CPC Committee and Vice President of the Company and a Standing Member of the CPC Committee of CREC since January 2025.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT



**MA Jiangqian**  
*Vice President*

**MA Jiangqian (馬江黔)**, aged 57, senior economist, currently is a member of the CPC Committee and Vice President of the Company. He served as the Secretary to the CPC Committee and a director of China Railway No.5 Engineering Group Co., Ltd. from November 2010 to August 2011; the Chairman and Secretary to the CPC Committee of China Railway No.5 Engineering Group Co., Ltd. from August 2011 to January 2013; the general manager, Deputy Secretary to the CPC Committee and a director of China Railway No.6 Engineering Group Co., Ltd. from January 2013 to June 2014; the general manager, Deputy Secretary to the CPC Committee and Vice Chairman of China Railway No.6 Engineering Group Co., Ltd. from June 2014 to June 2018. He served as the chief economist of the Company from June 2018 to April 2021; a Standing Member of the CPC Committee, Vice President and chief economist of the Company from April 2021 to June 2022; a Standing Member of the CPC Committee, and Vice President of the Company since June 2022. He has been a member of the CPC Committee and Vice President of the Company since November 2023.



**HAN Yonggang**  
*Vice President*

**HAN Yonggang (韓永剛)**, aged 53, senior engineer, currently is a member of the CPC Committee, Vice President and Director of Work Safety of the Company. He served as the general manager and Deputy Secretary to the CPC Committee of the Second Branch of China Railway No.4 Engineering from April 2014 to June 2019; the vice general manager of China Railway Guangzhou Engineering Group Co., Ltd. from June 2019 to September 2020; a member of the CPC Committee and vice general manager (in charge of management work) of China Railway Investment Group Co., Ltd. (an engineering construction branch of China Railway) from September 2020 to December 2020; the general manager, Deputy Secretary to the CPC Committee and a director of China Railway Investment Group Co., Ltd., the general manager, Deputy Secretary to the CPC Committee of an engineering construction branch of China Railway, the general manager of the Headquarter of Beijing-Tianjin-Hebei Region of China Railway from December 2020 to May 2021; the general manager, Deputy Secretary to the CPC Committee and a director of China Railway No.4 Engineering Group Co., Ltd. from May 2021 to May 2024; the safety production supervisor and the head (director, team leader) of the Safety and Quality Environmental Supervision Department (the Emergency Management Office and the Safety and Quality Environmental Inspection Team) of the Company from May 2024 to September 2024; the Vice President of the Company from September 2024 to January 2025; and a member of the CPC Committee and Vice President of the Company from January 2025 to April 2025. He serves as a member of the CPC Committee, Vice President and Director of Work Safety of the Company since April 2025.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

**ZHAO Bin***Chief Economist*

**ZHAO Bin (趙斌)**, aged 57, senior engineer and senior economist, currently is the chief economist and general manager of Operation and Development Center of the Company. He served as the deputy general manager of China Railway No.3 Engineering Group Co., Ltd. from April 2009 to November 2010; a Standing Member of the CPC Committee and deputy general manager of China Railway Shanghai Engineering Group Co., Ltd. from November 2010 to December 2017; the deputy general manager (in charge of administration), Deputy Secretary to the CPC Committee and a director of China Railway Guangzhou Engineering Group Co., Ltd. from December 2017 to March 2018; the general manager, Deputy Secretary to the CPC Committee and a director of China Railway Guangzhou Engineering Group Co., Ltd. from March 2018 to May 2021; the director of the Operation and Development Center of the Company from May 2021 to September 2021; the general manager of the Operation and Development Center of the Company from September 2021 to June 2022. He has been the chief economist and general manager of Operation and Development Center of the Company since June 2022.

**MA Yonghong***Secretary to the Board of Directors  
and Joint Company Secretary*

**MA Yonghong (馬永紅)**, aged 59, senior accountant, is currently the secretary to the Board of the Company. He served as the secretary to the Communist Party Committee, the secretary to the discipline inspection committee and the chief supervisor of China Railway Trust from March 2014 to December 2014, the secretary to the Communist Party Committee and the chief supervisor of China Railway Trust from December 2014 to June 2017, the secretary to the Communist Party Committee and the chairman of China Railway Trust from June 2017 to May 2021, the director of the Company's finance and financial management department (Beijing financial shared service center) and the chairman of China Railway Trust from May 2021 to December 2023, the director of the Company's finance and financial management department (Beijing financial shared service center), the chairman of China Railway Trust, the chairman of China Railway Finance and director of CR (Hong Kong) Treasury Management Co., Limited from December 2023 to May 2024, the director of the Company's finance and financial management department (financial shared service center and treasurer management center), the chairman of China Railway Finance and director of CR (Hong Kong) Treasury Management Co., Limited from May 2024 to July 2024. He has been the secretary to the Board of the Company since July 2024.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT



**TAM Chun Chung**

*Joint Company Secretary and  
Authorized Representative*

**TAM Chun Chung (譚振忠)**, aged 53, currently is the Joint Company Secretary and Authorized Representative of Company and also an independent non-executive director of Lap Kei Engineering (Holdings) Limited. Mr. TAM joined the Company in November 2007. Prior to joining the Company, he served as a Qualified Accountant and Joint Company Secretary of an H-share listed company in Hong Kong. He had also held various senior positions including senior manager of internal audit and senior manager of finance department in another Hong Kong listed company previously. From 1994 to 2000, Mr. TAM worked for a large international accounting firm as an assistant manager. Mr. TAM has over 30 years of experience in the accounting and auditing field. He has been a member of the Hong Kong Institute of Certified Public Accountants since December 1997 and a fellow of the Chartered Association of Certified Accountants since November 2002.

# REPORT OF THE DIRECTORS

## Business Review

### 1. Business Review of the Financial Year

We are one of the strongest and largest multifunctional integrated construction groups in the PRC and even in the world. We are primarily engaged in infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development and other businesses.

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

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

Further details of the Group’s business review of the financial year are set out in Parts I to VII of “Business Overview” on pages 22 to 41 and Parts I to VI of “Management Discussion and Analysis” on pages 44 to 54 of this annual report.

### 2. Principal Risks and Uncertainties

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

Further details of the Group’s principal risks are set out in “Business Risks” of “Management Discussion and Analysis” on page 55 of this annual report.

### 3. Future Development of Businesses

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

Details of the Group’s expectations to and plans of future businesses development are set out in Part VIII to Part IX of “Business Overview” on pages 41 to 43 of this annual report.

## REPORT OF THE DIRECTORS

### Financial Statements

The profits of the Group for the year ended 31 December 2025 and the financial positions of the Group as at such date are set out in the Financial Statements on pages 119 to 289.

### Dividends

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

For details of the policies for dividend distribution of the Company, please refer to “Specific policies for profit distribution” of “Significant Events” on page 290 of this annual report.

### Donations

Donations made by the Group during the financial year amounted to RMB92.39 million (2024: RMB94.41 million).

### Property, Plant and Equipment

Changes in property, plant and equipment of the Group during the financial year are set out in note 17 to the Financial Statements.

### Share Capital

Details of the Company's share capital are set out in note 34 to the Financial Statements.

### Distributable Reserves

As at 31 December 2025, pursuant to the relevant laws and regulations, the Company's distributable reserves amounted to approximately RMB105.797 billion.

### Reserves

Changes in reserves of the Group and the Company during the financial year are set out in the consolidated statement of changes in equity on pages 123 to 124 of this annual report.

## REPORT OF THE DIRECTORS

### Major Customers and Suppliers

China State Railway Group Co., Ltd. (formerly known as China Railway Corporation), which was founded on 14 March 2013 with the approval of the State Council, is the largest customer of the Group. For the year ended 31 December 2025, sales to China State Railway Group Co., Ltd. accounted for approximately 18.31% of the total revenue of the Group. For the same period, sales to the five largest customers of the Group (including China State Railway Group Co., Ltd.) in aggregate accounted for approximately 20.31% of the total revenue of the Group. At no time during the financial year have the directors, their close associates or any shareholder of the Company (which, to the knowledge of the Board of the Directors, owns more than 5% of the Company's share capital) had any interest in these five largest customers.

For the year ended 31 December 2025, procurement amount from the five largest suppliers of the Group in aggregate accounted for approximately 1.98% of the total procurement amount of the Group in 2025.

### Subsidiaries and Associates

Particulars of the Company's principal subsidiaries and the Group's principal associates as at 31 December 2025 are set out in note 48 and note 23, respectively, to the Financial Statements.

### Directors, Supervisors and Senior Management of the Company

The directors of the Company during the financial year were as follows:

| Name                                    | Position  |
|---|---|
| CHEN Yun (resigned on 12 March 2025)    | Chairman and Executive Director   |
| CHEN Wenjian                            | Chairman (elected on 13 March 2025), Executive Director and President (ceased to act on 13 March 2025)  |
| ZHAO Dianlong                           | Executive Director (elected on 6 February 2026), President (appointed on 9 January 2026) and authorized representative of the Company (the " <b>Authorized Representative</b> ") under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the " <b>Listing Rules</b> ") (appointed on 2 March 2026) |
| WANG Shiqi (resigned on 2 March 2026)   | Executive Director and Authorized Representative  |
| WEN Limin                               | Non-executive Director  |
| FANG Xiaobing (elected on 20 June 2025) | Non-executive Director  |
| XIU Long                                | Independent Non-executive Director  |
| SUN Lishi                               | Independent Non-executive Director  |
| TU Haiming                              | Independent Non-executive Director  |

## REPORT OF THE DIRECTORS

The supervisors of the Company during the financial year were as follows:

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

The senior management of the Company during the financial year were as follows:

| Name           | Position  |
|----------------|---|
| CHEN Wenjian   | Executive Director and President (resigned on 13 March 2025)            |
| SUN Cui        | Chief Accountant  |
| REN Hongpeng   | Vice President  |
| HUANG Chao     | Vice President  |
| GENG Shubiao   | Vice President  |
| KONG Dun       | Vice President and Chief Engineer (resigned on 30 March 2026)           |
| MA Jiangqian   | Vice President  |
| HAN Yonggang   | Vice President, Safety Production Director (appointed on 29 April 2025) |
| ZHAO Bin       | Chief Economist   |
| MA Yonghong    | Secretary to the Board of Directors and Joint Company Secretary         |
| TAM Chun Chung | Joint Company Secretary and Authorized Representative                   |

On 28 February 2025, the Supervisory Committee of the Company (“**Supervisory Committee**”) received a written resignation report from Mr. JIA Huiping, due to his age (retirement), as Shareholder Representative Supervisor and Chairman of the Supervisory Committee. His resignation took effect upon receipt of the resignation report by the Supervisory Committee.

On 12 March 2025, the Board of Directors of the Company (“**Board**”) received a written resignation report from Mr. CHEN Yun, due to his age (retirement), as an executive director, the Chairman, Chairman and member of the Strategy and Investment Committee of the Board, Chairman and member of the Nomination Committee of the Board and the legal representative of the Company. Upon his resignation, Mr. CHEN Yun no longer held any position in the Company. his resignation took effect upon receipt of the resignation report by the Board.

## REPORT OF THE DIRECTORS

On 13 March 2025, at the eighth meeting of the sixth session of the Board 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 the 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 the Company for a term of office until the expiry of the sixth session of the Board.

On 29 April 2025, at the tenth meeting of the sixth session of the Board 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 at that Board meeting until the expiry of the sixth session of the Board.

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 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 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 that annual general meeting of the Company until the expiration of the term of the sixth session of the Board.

On 16 July 2025, the Company held the thirteenth meeting of the sixth session of the Board, 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 at that Board meeting until the expiry of the sixth session of the Board.

On 9 January 2026, the Company held the eighteenth meeting of the sixth session of the Board, which considered and approved the Proposal on the Appointment of the President of China Railway Group Limited, agreed to appoint Mr. ZHAO Dianlong as the President of the Company for a term commencing from the date of approval at that Board meeting until the expiry of the sixth session of the Board.

On 3 February 2026, the Company held the nineteenth meeting of the sixth session of the Board, which considered and approved the Proposal on the Removal of WANG Xinhua as the Chief Auditor and the Head of the Audit Department of China Railway Group Limited, agreed to remove Mr. WANG Xinhua from the position of Chief Auditor and the Head of the Audit Department of the Company due to job transfer.

On 6 February 2026, at the 2026 first extraordinary general meeting of the Company, the Company considered and approved the Proposal on the election of ZHAO Dianlong as an Executive Director of the Sixth Session of the Board of Directors of China Railway Group Limited, electing Mr. ZHAO Dianlong as an executive director of the Company for a term commencing from the date of approval at that extraordinary general meeting until the expiry of the sixth session of the Board. Mr. ZHAO Dianlong obtained the legal advice under Rule 3.09D of the Listing Rules from the Company's Hong Kong legal adviser on 6 February 2026 and confirmed that he understood the obligations as a director of a listed issuer.

## REPORT OF THE DIRECTORS

On 2 March 2026, Mr. WANG Shiqi tendered his resignation to the Board as an executive director and a member of the Safety, Health and Environmental Protection Committee of the Board, and ceased to serve as the Authorized Representative due to his retirement. Upon his resignation, Mr. WANG Shiqi no longer held any position in the Company. Mr. ZHAO Dianlong, the President and an executive director of the Company, was appointed as the Authorized Representative with effect from 2 March 2026.

The biographical details of the current directors and senior management of the Company are set out in “Biography of Directors and Senior Management”.

### Directors’ Interests in Contracts

No transaction, arrangement or contract of significance to which the Company, or the Company’s holding company or subsidiary or a subsidiary of the Company’s holding company was a party and in which a director of the Company or an entity connected with a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

### Emoluments of the Directors, Supervisors and Senior Management of the Company

Details of the emoluments of the directors, supervisors and senior management of the Company in 2025 are set out in note 16 and note 47 to the audited Financial Statements.

### Directors’ Rights to Acquire Shares or Debentures

For the year ended 31 December 2025, none of the Company or the Company’s holding company or subsidiary or a subsidiary of the Company’s holding company was a party to any arrangement to enable the Company’s directors or their respective spouses or minor children to acquire shares in or debentures of the Company or any other body corporate.

### Directors’ Service Contracts

None of the directors of the Company has entered into a service contract with the Company or its subsidiary that is not terminable within one year without payment of compensation (in addition to statutory compensation).

### Permitted Indemnity Provisions

The Company has not entered into any agreement with permitted indemnity provisions with directors of the Company to provide indemnity to a director of the Company against liability incurred by the director to third parties or other types of liabilities.

However, during the financial year, the Company has purchased appropriate liability insurance coverage for the directors and senior management of the Company.

## REPORT OF THE DIRECTORS

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2025, none of the directors of the Company had any interests or short positions 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 or 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.

### Substantial Shareholders and Holders of Interests or Short Positions Required to be Disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance

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

#### Holder of A shares

| Name of substantial shareholder | Capacity         | Number of A shares held<br>(Shares) | Nature of interest | Approximate percentage of total issued A shares<br>(%) | Approximate percentage of total issued shares<br>(%) |
|---------------------------------|------------------|-------------------------------------|--------------------|--|--|
| CREC                            | Beneficial owner | 11,458,725,890                      | Long position      | 55.95  | 46.42  |

#### Holder of H shares

| Name of substantial shareholder | Capacity                            | Number of H shares held<br>(Shares) | Nature of interest | Approximate percentage of total issued H shares<br>(%) | Approximate percentage of total issued shares<br>(%) |
|---------------------------------|-------------------------------------|-------------------------------------|--------------------|--|--|
| BlackRock, Inc.                 | Interest of controlled corporations | 194,886,808                         | Long position      | 4.63   | 0.79   |
|                                 |                                     | 48,828,000                          | Short position     | 1.16   | 0.20   |

## REPORT OF THE DIRECTORS

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

| Name of substantial shareholder | Long Position                            |   |   |   | Short Position                            |   |   |   |
|---------------------------------|--|---|---|---|---|---|---|---|
|                                 | Listed equity derivative payment in kind | Listed equity derivatives settled in cash | Non-listed equity derivatives payment in kind | Non-listed equity derivatives settled in cash | Listed equity derivatives payment in kind | Listed equity derivatives settled in cash | Non-listed equity derivatives payment in kind | Non-listed equity derivatives settled in cash |
| BlackRock, Inc.                 | -  | -   | -   | 6,006,000                                     | -   | -   | -   | 33,483,000                                    |

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

### Competing Business

None of the Company's directors held any interest in any business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group.

### Connected Transactions

#### 1. Continuing Connected Transactions Defined under the Listing Rules

CREC is the Company's controlling shareholder and is therefore one of the Company's connected persons under the Listing Rules. Transactions between the Company and/or its subsidiaries and CREC and/or its associates constitute connected transactions.

#### Financial Services Framework Agreement between China Railway Finance Co., Ltd. ("China Railway Finance") and CREC

On 29 April 2014, China Railway Finance (a subsidiary of the Company, with 95% of its equity interest being held by the Company and 5% of its equity interest being held by CREC) executed a financial services framework agreement with CREC (the "**Financial Services Framework Agreement**"), which took effect upon the completion of relevant statutory procedures, being 16 March 2014, till 31 December 2015. Subsequently, on 29 December 2015, China Railway Finance and CREC entered into a financial services framework renewal agreement with a term of three years. Pursuant to the Financial Services Framework Agreement, China Railway Finance agreed to provide deposit services, loan services and other financial services to CREC in accordance with the terms and conditions stipulated in the agreement.

On 27 December 2018, China Railway Finance and CREC further entered into a financial services framework renewal agreement, effective from 1 January 2019 to 31 December 2021, to further renew the Financial Services Framework Agreement. The Company has made announcement in respect of this financial services framework renewal agreement on 27 December 2018.

## REPORT OF THE DIRECTORS

On 30 December 2021, China Railway Finance and CREC further entered into a financial services framework renewal agreement (the “**Financial Services Framework Renewal Agreement 2022-2024**”), effective from 1 January 2022 to 31 December 2024, to further renew the Financial Services Framework Agreement. The Company has made announcement in respect of the Financial Services Framework Renewal Agreement 2022- 2024 on 30 December 2021.

On 30 December 2024, China Railway Finance and CREC further entered into a financial services framework renewal agreement (the “**Financial Services Framework Renewal Agreement 2025-2027**”), effective from 1 January 2025 to 31 December 2027, to further renew the Financial Services Framework Agreement. The Company has made announcement and supplemental announcement in respect of the Financial Services Framework Renewal Agreement 2025-2027 on 30 December 2024 and 24 January 2025, respectively.

The annual caps for the years of 2025, 2026 and 2027 under the Financial Services Framework Renewal Agreement 2025-2027 are as follows:

|  | For the financial year ended/ending 31 December |                |                |
|--|---|----------------|----------------|
|  | 2025  | 2026           | 2027           |
|  | RMB   | RMB            | RMB            |
| <b>(i) Deposit service</b>   |   |                |                |
| The maximum of daily deposit balance in China Railway Finance by CREC (including interest accrued)                                 | 20,000,000,000                                  | 20,000,000,000 | 20,000,000,000 |
| <b>(ii) Comprehensive credit services</b>  |   |                |                |
| The maximum of daily comprehensive credit balance from China Railway Finance to CREC (including interest accrued and service fees) | 5,000,000,000                                   | 5,000,000,000  | 5,000,000,000  |
| <b>(iii) Miscellaneous financial services</b>  |   |                |                |
| The aggregate annual amount of maximum service fees for miscellaneous financial services provided by China Railway Finance to CREC | 80,000,000                                      | 80,000,000     | 80,000,000     |

The factors in determining the above proposed annual caps include: (1) historical transaction amount; (2) strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans; and (3) the effective and reasonable control of financial risks.

## REPORT OF THE DIRECTORS

The Company confirms that the signing and execution of specific agreements under the continuing connected transactions during the Reporting Period have complied with the pricing principles of these continuing connected transactions. The independent non-executive directors of the Company are of the opinion that, during the financial year, the above continuing connected transactions between the Group and the CREC were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either on normal commercial terms or better; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company must engage its auditors to report on the continuing connected transaction every year. The auditors must provide a letter to the Board of the Company confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material aspects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (iv) have exceeded the annual cap.

In order to comply with the above requirements, the Board engaged the auditor of the Company to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group in pages 72 to 74 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company for submission to the Hong Kong Stock Exchange.

In respect of the above continuing connected transactions, the Company has complied with the disclosure requirements under the Listing Rules in force from time to time.

## REPORT OF THE DIRECTORS

### 2. Significant Related Party Transactions as Defined under PRC Laws and Regulations

Details of the significant related party transactions of the Company as defined by PRC laws and regulations during the Reporting Period are set out on pages 312 to 316 of this annual report. The Company confirms save and except for those continuing connected transactions set out in the section “Continuing Connected Transactions Defined under the Listing Rules” above, the other transactions were not regarded as connected transactions or continuing connected transactions under the Listing Rules or were exempt from reporting, announcement and shareholders’ approval requirements under the Listing Rules.

### 3. Contract of Significance

Save as disclosed in this annual report, there were no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

## Purchase, Sale or Redemption of the Company’s Listed Securities

During the year ended 31 December 2025, the Company repurchased and cancelled part of the restricted A shares granted under the 2021 Restricted Share Incentive Scheme.

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

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

## REPORT OF THE DIRECTORS

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

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

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

Unit: Yuan Currency: RMB

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

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

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

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

### Pre-emptive Rights

There are no provisions for pre-emptive rights pursuant to the Company's articles of association (the "Articles of Association") and the relevant laws and regulations of the PRC.

### Equity-linked Agreements

Save as disclosed under the section headed "2021 Restricted Share Incentive Scheme" below, no equity-linked agreements were entered into by the Company during the financial year, or existed as at 31 December 2025.

## REPORT OF THE DIRECTORS

### Bank and Other Loans

Details of bank and other loans of the Group as at 31 December 2025 are set out in note 39 to the Financial Statements.

### Management Contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the financial year.

### Tax Relief and Exemption

The directors of the Company are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

### Financial Summary

The summary of the audited consolidated statement of profit or loss and consolidated statement of financial position of the Group for the last five financial years is set out on pages 4 to 5 of this annual report.

### Emolument Policy

In accordance with the requirements of the modern corporate system, the Company has been continuously improving the market-oriented salary distribution mechanism. To further optimize the management of total wage expenses, the Company has implemented the general requirements of "increase in efficiency, increase in wages; reduction in efficiency, reduction in wages" according to the requirements of establishing and improving a wage decision and reasonable growth mechanism that is basically adapted to the labor market and linked to enterprise economic benefits and labor productivity, constructing a total wage determination mechanism composed of coordinated operation of wage-benefit linkage, efficiency benchmarking adjustment, and wage level regulation. Efforts are actively made to promote medium and long-term incentives, coordinating the use of incentive tools such as equity incentives in listed companies, equity and dividend incentives in technology-based enterprises, and sharing of excess profits to mobilize the initiative and proactiveness of the core business backbone, stimulating corporate vitality and drive. Centered on the integrated promotion of 'standardization, incentives, and preferential treatment', the Company deepened reforms of internal income distribution system, solidly promoted its increase and reduction, strengthened the standardized management of allowances, subsidies, and welfare. The Company also continuously promoted the development of a compensation management information system, pushing forward the shift from 'salary statistics, step-by-step aggregation' and 'full aggregation, next-month upload' to 'salary collection at payment, real-time upload' and 'real-time collection, direct reporting connection', further improving the management of informatization and digitalization and enhancing compensation management efficiency.

Employee remuneration of the Company comprises basic salary, performance-based bonus and allowances and subsidies. In accordance with PRC laws, the Company entered into an employment contract with each of its employees. Such contracts include provisions on wages, employee vacation, benefits, training programs, health and safety, confidentiality obligations and grounds for termination. In accordance with state policies, the Company makes contributions in full to

## REPORT OF THE DIRECTORS

the employee aged-care insurance, medical insurance, unemployment insurance, work injury compensation insurance as well as employee housing provident fund. In addition to statutory contributions, the Company also provides voluntary benefits to employees which include enterprise annuities for employees.

The remuneration of executive directors of the Company is on an annual basis and consists of base annual salary and performance-based annual bonus. According to the Remuneration Management Regulations of Directors of China Railway Group Limited, the remuneration of an independent non-executive director shall be determined with reference to provisions on the board of directors' pilot scheme of remuneration and treatment of external directors of central enterprises issued by the SASAC of the State Council. For the head of central enterprises who has left the current office and serves as an independent non-executive director, the remuneration shall be determined with reference to the requirements of the SASAC of the State Council regarding the payment of work subsidies for the head of central enterprises who has left the current office and serves as an external director as well as the performance evaluation results. For details in connection with the remuneration of directors of the Group, please refer to note 16 and note 47 to the financial statements.

### Employee Development

In 2025, the Company emphasized practical effectiveness, focused on key groups, and promoted a shift in education and training from 'broad irrigation' to 'precise drip irrigation.' Through innovative training models integrating case-based, experiential, scenario-based, simulation-based, and interactive teaching methods such as experiential learning, flipped classrooms and AI workshops, the Company enhanced the relevance and effectiveness of training. The Company successfully organized four sessions of the 'Three-Dimensional Integrated' leadership training program, and for the first time, arranged for 50 principal leaders to attend political theory training at the Central Party School, promoting the application of learning and collecting 89 high-quality development suggestions. The Company organized the sixth session of the mid-career and young leaders program with 44 participants, whose project 'Research on How Construction Central Enterprises Can Become the Pioneers of High-Level Self-Reliance and Strength' won the Excellent Project Award from the Central Party School's SASAC Branch. The Company organized training for 106 newly recruited 'Double First-Class' university graduates in the 2025 cohort, effectively enhancing new employees' sense of recognition and belonging to the Company.

### Employee Composition

The personnel expenses of the Company for the year of 2025 were RMB54.839 billion. As at 31 December 2025, the number of employees hired by the Group was 289,250. The following table sets forth a breakdown of the Group's employees by professional composition as at 31 December 2025:

| Professional Composition | Number of employees as at 31 December 2025 |
|--------------------------|--|
| Production staff         | 27,163                                     |
| Salesperson              | 12,701                                     |
| Technical personnel      | 189,863                                    |
| Financial staff          | 13,630                                     |
| Administrative staff     | 45,893                                     |
| <b>Total</b>             | <b>289,250</b>                             |

## REPORT OF THE DIRECTORS

| Education Level          | Number of employees as at 31 December 2025 |
|--------------------------|--|
| Doctor degree candidate  | 438  |
| Master degree candidate  | 16,898                                     |
| Undergraduate            | 188,414                                    |
| Junior College and below | 83,500                                     |
| <b>Total</b>             | <b>289,250</b>                             |

## Employee Retirement Benefits

Particulars of the employee retirement benefits of the Group are set out in note 40 to the Financial Statements.

## Public Float

As at the date of this annual report, the Company has maintained sufficient public float, based on the information that is publicly available to the Company and within the knowledge of the directors of the Company.

## Compliance with the Corporate Governance Code

For details of the Company's corporate governance practices, please refer to the Report on Corporate Governance Practices on pages 82 to 112 of this annual report.

## Event After the Reporting Period

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

## REPORT OF THE DIRECTORS

### 2021 Restricted Share Incentive Scheme (the “2021 Restricted Share Incentive Scheme”)

As at 31 December 2025, 170,935,835 A shares were issued under the 2021 Restricted Share Incentive Scheme and the total grant price was RMB605,330,497.29 (excluding the 67,290,054 restricted shares that were repurchased and canceled by the Company as at 31 December 2025 in accordance with the terms of the 2021 Restricted Share Incentive Scheme). On 28 December 2022, the Company completed the repurchase and cancellation of 1,379,700 restricted shares and the total repurchase price was RMB4,647,304. On 11 March 2024, the Company completed the repurchase and cancellation of 1,566,166 restricted shares and the total repurchase price was RMB5,019,639.80. On 25 December 2024, the Company completed the repurchase and cancellation of 8,764,699 restricted shares and the total purchase price was RMB27,472,945.64. On 12 June 2025, the Company completed the repurchase and cancellation of 856,199 restricted shares, with a total repurchase price of RMB2,587,940.73. On 24 November 2025, the Company completed the repurchase and cancellation of 54,723,290 restricted shares, with a total repurchase price of RMB152,660,141.23. On 19 January 2026, the Company completed the repurchase and cancellation of 63,700 restricted shares, with a total repurchase price of RMB176,194.2.

For details of the 2021 Restricted Share Incentive Scheme, including the purpose of the 2021 Restricted Share Incentive Scheme, please refer to “Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof” of “Significant Events” on pages 297 to 306 of this annual report.

### Implementation of Environmental Protection Measures

The details are set out in “Environmental Information on Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Whose Environmental Information Is Disclosed in Accordance with the Law” on pages 330 to 331 of this annual report.

### Compliance with Laws and Regulations

The details are set out in “Compliance with Laws and Regulations” of “Business Overview” on page 40 of this annual report.

## REPORT OF THE DIRECTORS

### Maintenance of Relationship with Stakeholders

The details are set out in the “Maintenance of Relationship with Stakeholders” of “Business Overview” on page 41 of this annual report.

### Auditors

The 2025 financial statements of the Company which were prepared in accordance with the IFRS Accounting Standards were audited by Deloitte Touche Tohmatsu, and the financial statements prepared in accordance with the Chinese Accounting Standards were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP.

All references in this part of the annual report (Report of the Directors) to other parts, sections of or notes in the annual report, form part of the Report of the Directors.

By order of the Board of Directors

**CHEN Wenjian**

*Chairman*

Beijing, the PRC

30 March 2026

# REPORT ON CORPORATE GOVERNANCE PRACTICES

## Overview

During the Reporting Period, the Company has strictly complied with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and other laws and regulations, and the various rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The directors and senior management performed their duties diligently, responsibly and in accordance with the law. The Company's corporate mechanisms were further optimized, leading to a continuous enhancement of corporate governance standards. The Company's Board of Directors was selected as the "Best Office of Directors Practice Cases of Listed Companies' Board of Directors " by China Association for Public Companies for three consecutive years.

- 1. Accelerate the construction of a scientific, rational, and efficient Board of Directors.** By 2025, the Company's Board of Directors has consistently adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply studied and implemented the spirit of the 20th National Congress of the Communist Party of China and the subsequent plenary sessions of the 20th Central Committee, resolutely implemented major decisions and deployments of the Party Central Committee and the State Council as well as the work requirements of the SASAC of the State Council, focused on the goals and tasks of building a scientific, rational and efficient board, accelerated the improvement of modern corporate governance with Chinese characteristics for state-owned enterprises, continuously enhanced the quality and efficiency of Board work, and promoted high-quality development of the Company. The Board has optimized the institutional system by keeping pace with regulatory and management requirements, revising the "Articles of Association," rules of procedure, information disclosure management, and other systems, adjusting the headquarters' management of subsidiary articles and the division of delegated powers, and improving the centralised construction mechanism of the boards of parent and subsidiary companies. The Board has improved governance structure by efficiently completing the abolition of supervisory committees of parent and subsidiary companies and fully transitioning to a "unitary" structure; established audit and risk management committees to undertake supervisory responsibilities, introduced strategic investors into governance, optimized the composition of special committees under the Board, and completed the selection, appointment and resignation procedures of directors, supervisors and senior executives in accordance with regulations. The Board has standardized operations and improved quality by strictly observing meeting and decision-making procedures, leveraging the role of special committees, strengthening research and supervision of resolutions, and extending Board construction to subsidiaries. The Board has deepened governance coordination by having the Board effectively perform its responsibilities of "setting strategy, making decisions, and managing risks," leading the preparation of the 15th Five-Year Plan, strengthening all types of risk defenses; the management team rigorously implemented operations and provided timely performance feedback; the party committee played the role of "setting direction, managing overall affairs, and ensuring implementation," strictly executing advanced research procedures for major matters, achieving aligned efforts among all governance entities.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

- 2. Fully establish a long-term mechanism for market value management.** The Company regards market value management as a long-term strategic management practice to enhance investment value and shareholder return capability. In 2025, the Company conducted seminars and special research on market value management for its controlled listed companies, focusing on institutional innovation, pragmatic planning, systematic promotion, and assessment upgrading to comprehensively build a long-term mechanism for market value management. The Company formulated a market value management system, issued a valuation improvement plan, published a market value management scheme, and refined the detailed rules for market value management assessment. Centered on institutional innovation, pragmatic planning, systematic promotion and assessment upgrading, the Company aims to standardize, normalize, and accurately advance market value management work. In addition, the Company completed the 2024 annual dividend distribution, implemented for the first time a 2025 interim dividend distribution, prudently carried out a plan to repurchase part of the Company's A shares with RMB800 million to 1.6 billion, and a plan to increase holdings in China Railway Industry shares with RMB160 million to 300 million. These efforts promoted the effective implementation of the "Action Plan for Quality Improvement, Efficiency Enhancement, and Return Optimization" and the "Valuation Improvement Plan", fostered balance enhancement of the Company's intrinsic and market value, and actively safeguarded shareholders' legitimate rights while ensuring the Company's long-term sustainable development.
- 3. Achieved 12 consecutive years of A ratings in information disclosure evaluation.** The Company regards long-term, high-quality information disclosure as an important vehicle to convey its image of being "responsible and trustworthy," always adhering to the bottom line of being "truthful, accurate, complete, timely and fair". Based on the regulatory requirements of both Shanghai and Hong Kong, the Company has revised four sets of systems—the "Information Disclosure Management Measures", the "Regulations on Shareholding Changes of Directors and Senior Management", the "Insider Registration Management Rules", and the "Rules for Accountability for Major Errors in Periodic Report Information Disclosure"—to solidify responsibility for information disclosure, strengthen full-process compliance and risk management in information disclosure, and enrich disclosure content by adding quantitative data comparisons and visual presentations such as "charts plus interpretations" in periodic reports, thereby completing annual information disclosure work in accordance with the law. During the Reporting Period, the Company received an A rating in the 2024-2025 information disclosure evaluation by the Shanghai Stock Exchange, marking 12 consecutive years of A ratings since the Shanghai Stock Exchange started information disclosure evaluations in 2013. At the same time, the Company continued to fully integrate environmental, social and governance factors into risk analysis and core business or growth strategies, has disclosed ESG reports for 18 consecutive years.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

- 4. Conduct high-quality investor relations management.** In 2025, the Company continued to uphold the concepts of “three-dimensional investor relations” and “comprehensive investor relations,” continuously enhancing its capabilities in value discovery, value creation and value delivery. Through comprehensive and multi-channel communication with domestic and foreign investors, the Company actively and accurately responds to various investor concerns and promptly conveys its vivid practices and relentless efforts in high-quality development to the capital markets. At the same time, it proactively integrates domestic and foreign securities regulatory requirements, capital market development needs, and broad investor demands into corporate management, promoting healthy interaction between the capital markets and corporate managers. During the year, for periodic reports, the Company organized eight on-site and online earnings briefings at multiple levels and from multiple perspectives. Key members, including the chairman, independent directors, chief financial officer, and Board secretary, engaged in in-depth discussions with the market and actively responded to market concerns. Leading the investor relations team, the Company held or participated in more than 60 domestic and international investor meetings throughout the year, thoroughly answered over 220 questions on the Shanghai Stock Exchange E-Interactive platform, and patiently responded to investor relations hotline calls and emails. During the year, the Company prepared and organized roadshows for important institutional shareholders in Beijing, Shanghai and Hong Kong, conducted joint thematic reverse roadshows for “China Railway” listed companies, hosted the “Walk into China Railway” event, participated in media interviews with outlets such as Securities Daily, and actively promoted the Company’s performance highlights. For seven consecutive years, it has won the “Best IR Hong Kong Stock Company (A+H Share)” award from New Fortune and earned the Investor Relations “Pegasus Award” from Securities Times, further expanding its brand influence.

### Corporate Governance Framework

Pursuant to the requirements of the Company Law, the Securities Law, the Listing Rules and other relevant laws and regulations, the Company established a corporate governance framework comprising the Shareholders’ General Meeting, the Board of Directors and senior management.

### Compliance with the Code Provisions of the Corporate Governance Code

As a company listed on the main board of the Hong Kong Stock Exchange, the Company is committed to complying with the principles of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Company has complied with all provisions of the Corporate Governance Code during the Reporting Period.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### Diversity

The Company has always focused on diversity of Board members to enhance the efficiency in decision-making of the Board and the quality of corporate governance. In accordance with the listing rules and regulatory provisions of both Shanghai and Hong Kong, the Company has formulated and implemented the Diversity Policy of the Members of the Board. Amongst the seven Directors currently on the Board of the Company, two Executive Directors have extensive experience in the construction industry and management, and five Non-Executive Directors have extensive experience in the practice and management of finance, construction engineering and legal sectors. The structure and composition of the Board are in line with the requirements of the diversity policy and also satisfy the business development needs. In the context of the diversity of Board members, the Board of the Company has actively established an atmosphere of democratic deliberation, strictly implemented the voting system for motions and made full use of the advantage of the diversity of Board members, ensuring that each Director can participate in the governance of the Company and express independent opinions and decisions on matters of importance by actively making use of his or her rich expertise and management experience. The diversity of Board members has played an important role in improving the quality of corporate governance, enhancing the scientific and effective nature of Board decisions, safeguarding the overall interests of the Company and the legitimate rights and interests of all shareholders, especially the interests of minority shareholders.

In order to achieve Board diversity, the Company has adopted the Board Diversity Policy by taking into account a number of factors including without limitation of gender, age (18 years old or above), cultural and educational background, qualifications, race, professional experience, skills, knowledge and years of service. All Board members are appointed on the basis of abilities and in order to effectively achieve Board diversity, candidates will be considered on objective conditions. The Company values gender diversity and in August 2024, the Company elected Ms. SUN Lishi as Independent Non-executive Director of the Company, for a term of 3 years commencing immediately after the date of the relevant resolution passed by the extraordinary general meeting until the expiry of the term of office of the sixth session of the Board of Directors of the Company.

The Nomination Committee has been monitoring the implementation of the Board Diversity Policy to ensure the effectiveness of the Board Diversity Policy. In 2025, the Nomination Committee reviewed the nomination policy and the Board Diversity Policy and considered that such policies were proper and effective.

The Board valued diversity at all levels within the Group (including gender diversity). The Group would consider multiple factors when recruiting employees, including without limitation gender, age, cultural and educational background, qualifications, race, professional experience, skills, knowledge and years of service, and the Group will ensure gender diversity across the entire workforce.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### Shareholders' General Meeting

The Shareholders' General Meeting is an organ of power of the Company. In accordance with the requirements of the Company Law, the Securities Law and other relevant laws and regulations, the Company formulated the Articles of Association and the Procedural Rules for Shareholders' General Meeting to regulate the convening, consideration and voting procedures for shareholders' general meetings.

During the Reporting Period, the Company convened one general meeting of shareholders, namely the annual general meeting for the year 2024, the 2025 first A share class meeting and the 2025 first H share class meeting, all held on 20 June 2025. At these meetings, the shareholders considered and approved the following fourteen ordinary resolutions: the work report of the Board of the Company for the year 2024, the work report of the Supervisory Committee for the year 2024, the work report of independent directors of the Company for the year 2024, the 2024 A share annual report and the abstract, H share annual report and results announcement for the year 2024 of the Company, the audited consolidated financial statements of the Company for the year 2024, the profit distribution plan of the Company for the year 2024 and the interim dividend plan for the year 2025, the proposal on the salary (remuneration, work subsidy) of directors and supervisors of the Company for the year 2024, the proposal regarding the budget plan of the Company for the year 2025, the proposal on the engagement of auditors for the year 2025, the proposal on the engagement of internal control auditor for the year 2025, the proposal on the purchase of liabilities insurance for directors, supervisors and senior management of the Company for the year 2025, the proposal on the budget for external guarantee of the Company from the second half of 2025 to the first half of 2026, the proposed amendments to the Administrative Regulations for the Independent Directors of the Company as set out in Appendix IV to the circular of the Company dated 16 May 2025, and the appointment of Mr. FANG Xiaobing as a non-executive director of the Company. In addition, the shareholders considered and approved four special resolutions, namely: the proposed amendments to the Articles of Association of the Company as set out in Appendix I to the circular of the Company dated 16 May 2025, the proposed amendments to the Procedural Rules for the General Meeting of Shareholders of the Company as set out in Appendix II to the circular of the Company dated 16 May 2025, the proposed amendments to the Procedural Rules for the Board of Directors of the Company as set out in Appendix III to the circular of the Company dated 16 May 2025, and the proposal on the repurchase of certain A Shares of the Company through centralised bidding trading.

The Company also convened the 2026 first extraordinary general meeting on 6 February 2026. At the meeting, the shareholders considered and approved the following 1 ordinary resolution: the election of Mr. ZHAO Dianlong as an executive director of the Company.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

The table below sets out the details of general meetings attendance of each director during the Reporting Period:

| Director                                   | Number of meetings requiring attendance for the year | Number of meetings attended in person | Number of meetings attended by proxy |
|--|--|---------------------------------------|--------------------------------------|
| CHEN Wenjian                               | 1  | 1                                     | 0                                    |
| ZHAO Dianlong (elected on 6 February 2026) | 0  | 0                                     | 0                                    |
| WEN Limin                                  | 1  | 1                                     | 0                                    |
| FANG Xiaobing (elected on 20 June 2025)    | 1  | 1                                     | 0                                    |
| XIU Long                                   | 1  | 1                                     | 0                                    |
| SUN Lishi                                  | 1  | 1                                     | 0                                    |
| TU Haiming                                 | 1  | 1                                     | 0                                    |
| CHEN Yun (resigned on 12 March 2025)       | 0  | 0                                     | 0                                    |
| WANG Shiqi (resigned on 2 March 2026)      | 1  | 1                                     | 0                                    |

### The Board of Directors

#### 1. Composition of the Board of Directors

During the Reporting Period, the members of the Board of the Company were as follows:

| Name                                    | Title  |
|---|--|
| CHEN Yun (resigned on 12 March 2025)    | Chairman and Executive Director  |
| CHEN Wenjian                            | Chairman (elected on 13 March 2025), Executive Director and President (ceased to act on 13 March 2025) |
| ZHAO Dianlong                           | Executive Director (elected on 6 February 2026) and President (appointed on 9 January 2026)            |
| WANG Shiqi (resigned on 2 March 2026)   | Executive Director   |
| WEN Limin                               | Non-executive Director   |
| FANG Xiaobing (elected on 20 June 2025) | Non-executive Director   |
| XIU Long                                | Independent Non-executive Director   |
| SUN Lishi                               | Independent Non-executive Director   |
| TU Haiming                              | Independent Non-executive Director   |

There was no financial, business, family or other material relationship among the directors of the Company.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company complied with Rules 3.10(1) and 3.10(2) of the Listing Rules which require the Company to maintain at least three independent non-executive directors and have an independent non-executive director with appropriate professional qualifications or accounting or financial management expertise.

Three-seventh of the members of the Board are independent non-executive directors, which is in compliance with Rule 3.10A of the Listing Rules which requires independent non-executive directors of the Company must represent at least one-third of the Board. The Company has received confirmation of independence from the independent non-executive directors in accordance with Rule 3.13 of the Listing Rules and the Company considered each independent non-executive director as independent.

Pursuant to the Articles of Association of the Company, the term of office of each director of the Company (including the non-executive directors and the independent non-executive directors) is three years, and the director may be re-elected and re-appointed upon expiration of the term.

### 2. Board Meetings

In 2025, the Company held 11 Board meetings, 10 of which were on-site meetings and 1 of which was held by communication. The table below sets out the details of Board meeting attendance of each director during the Reporting Period.

| Director                                   | Number of meetings requiring attendance | Number of meetings attended in person | Number of meetings attended by communications | Number of meetings attended by proxy |
|--|---|---------------------------------------|---|--------------------------------------|
| CHEN Wenjian                               | 11                                      | 10                                    | 1   | 0                                    |
| ZHAO Dianlong (elected on 6 February 2026) | 0                                       | 0                                     | 0   | 0                                    |
| WEN Limin                                  | 11                                      | 9                                     | 1   | 1                                    |
| FANG Xiaobing (elected on 20 June 2025)    | 6                                       | 5                                     | 1   | 0                                    |
| XIU Long                                   | 11                                      | 9                                     | 1   | 1                                    |
| SUN Lishi                                  | 11                                      | 10                                    | 1   | 0                                    |
| TU Haiming                                 | 11                                      | 10                                    | 1   | 0                                    |
| CHEN Yun (resigned on 12 March 2025)       | 1                                       | 1                                     | 0   | 0                                    |
| WANG Shiqi (resigned on 2 March 2026)      | 11                                      | 9                                     | 1   | 1                                    |

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### 3. Responsibilities and Operation of the Board

Pursuant to the Articles of Association, the Board is responsible for (among other things) implementing the decisions and arrangements of the Central Committee of the Party and the State Council as well as major measures under the national development strategy; convening general meeting and reporting its work to the general meeting; implementing the resolutions passed at the general meeting; determining the Company's strategic planning, business planning, operating plans, investment proposals and financing arrangements; formulating the annual financial budget plan and final accounts plan; formulating the profit distribution plan and loss make-up plan; formulating plans for increasing or decreasing the registered capital of the Company, issuing corporate bonds or other securities and the listing thereof; reviewing major matters such as merger, division, spin-off, dissolution, liquidation, bankruptcy petitions and major asset acquisitions or disposals; deciding on the establishment or cancellation of the Company's

## REPORT ON CORPORATE GOVERNANCE PRACTICES

internal management bodies and branches; deciding on the merger, division, reorganization and dissolution of subsidiaries; determining the Company's compensation and benefit policies, total salary budget and the Company's annuity plan; appointing or removing the president, the secretary to the Board and other senior management personnel and determining their remuneration, rewards and penalties; formulating the basic management systems of the Company; establishing and supervising the implementation of the Company's internal control system, risk management system, compliance management system, accountability system for illegal operation and investment, and Environmental, Social and Governance (ESG) management system; formulating plans for amendments to the Articles of Association; formulating the Company's share incentive plan; being responsible for the Company's market capitalization management, information disclosure and investor relations management; reviewing the annual audit plan and major audit reports; proposing to the general meeting the appointment or replacement of the accounting firm; reviewing major litigation, arbitration, safety, environmental protection, stability maintenance and social responsibility matters; preparing the Company's periodic reports and ESG reports; formulating the Board's authorization plans and supervising the exercise of such authorization; formulating and reviewing the Company's corporate governance policies and practices; monitoring the training and continuous professional development of directors and senior management; monitoring the Company's compliance with legal and regulatory requirements; formulating, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors; reviewing the Company's compliance with the Corporate Governance Code and the related disclosures in the corporate governance report; and exercising other functions and powers as provided by laws, administrative regulations, departmental rules or the Articles of Association and as granted by the general meeting.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

There are currently five special committees established under the Board, being the Strategy and Investment Committee, the Audit and Risk Management Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Safety, Health and Environmental Protection Committee. Each committee has its own rules of procedures.

The offices of the Chairman and President of the Company are held by different persons and division of power between the Board and the senior management strictly complying with the Articles of Association and the relevant regulations. The Board formulates the overall strategy of the Company and monitors the financial performance of the Company. The management of the Company implements the strategic plans as determined by the Board and is responsible for the daily operations and management of the Company. The functions and powers of the Chairman include, among other things, conveying the spirit of the Central Committee of the Communist Party of China and regulatory policies to the Board, convening and presiding over Board meetings, supervising the implementation of the Board's resolutions and coordinating the operation of the Board. Pursuant to the Articles of Association, the functions and powers of the President include, among other things, taking charge of the operation and management of the Company, organising the implementation of the resolutions of the Board and reporting to the Board; organizing the drafting of the development plan, annual business plan, investment plan and investment and financing proposal, of the Company, etc. and organising their implementation after approval; formulating the basic management system of the Company.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### 4. Model Code for Securities Transactions by Directors

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

### 5. Director’s Training

Directors are encouraged to participate in various professional trainings to constantly improve their abilities to perform duties. In 2025, the SASAC, the Beijing Securities Regulatory Bureau, the Shanghai Stock Exchange, the China Association for Public Companies, and the Beijing Association for Public Companies held training sessions on topics such as the experience of independent directors of listed companies in performing their duties, interpretation of guidelines for the articles of association of listed companies, and new quality productive forces and artificial intelligence. During the Reporting Period, Director CHEN Wenjian attended 1 training session, Director WANG Shiqi attended 1 training session, Director WEN Limin attended 1 training session, Director XIU Long attended 1 training session, Director SUN Lishi attended 2 training sessions, Director TU Haiming attended 10 training sessions, and Director FANG Xiaobing attended 1 training session.

### 6. Board Committees

As at the end of 2025, the composition of the committees under the Board was as follows: Mr. CHEN Wenjian, Mr. WEN Limin, Mr. XIU Long and Mr. TU Haiming were members and Mr. CHEN Wenjian was the Chairman of the Strategy and Investment Committee of the Board, Mr. WEN Limin, Mr. XIU Long and Ms. SUN Lishi were members and Ms. SUN Lishi was the Chairlady of the Audit and Risk Management Committee of the Board, Mr. WEN Limin, Mr. XIU Long and Ms. SUN Lishi were members and Mr. XIU Long was the Chairman of the Remuneration and Appraisal Committee of the Board, Mr. CHEN Wenjian, Ms. SUN Lishi and Mr. TU Haiming were members and Mr. CHEN Wenjian was the Chairman of the Nomination Committee of the Board, and Mr. CHEN Wenjian, Mr. WANG Shiqi, Mr. WEN Limin, Mr. FANG Xiaobing and Mr. TU Haiming were members and Mr. CHEN Wenjian was the Chairman of the Safety, Health and Environmental Protection Committee of the Board.

On 2 March 2026, Mr. WANG Shiqi resigned from the positions of an executive director and a member of the Safety, Health and Environmental Protection Committee of the Board due to retirement, and the number of members of the Safety, Health and Environmental Protection Committee of the Board was adjusted from five directors to four directors, with Mr. CHEN Wenjian, Mr. WEN Limin, Mr. FANG Xiaobing and Mr. TU Haiming as members and Mr. CHEN Wenjian as Chairman. The composition and the Chairmen of other Board committees remained unchanged.

On 30 March 2026, the Company held the twentieth meeting of the sixth session of the Board, which considered and approved the Proposal on the Change in Composition of the Strategy and Investment Committee of the Board and the Safety, Health and Environmental Protection Committee of the Board. The Strategy and Investment Committee of the Board has been adjusted from 5 directors to 4 directors, namely Mr. CHEN Wenjian, Mr. ZHAO Dianlong, Mr. WEN Limin, Mr. XIU Long, and Mr. TU Haiming. Mr. CHEN Wenjian serves as the Chairman. The Safety, Health and Environmental Protection Committee of the Board remains composed of four directors, namely Mr. ZHAO Dianlong, Mr. WEN Limin, Mr. FANG Xiaobing, and Mr. TU Haiming. Mr. ZHAO Dianlong serves as the Chairman. The composition and the Chairmen of other Board committees remained unchanged.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### (a) Strategy and Investment Committee

The principal duties of the Strategy and Investment Committee include, among other things:

- (1) conducting research and making recommendations to the Board on the Company's strategic planning and business planning; reviewing major business or asset restructuring, mergers, divisions, dissolutions, asset disposals and capital operations of the Company and its subsidiaries, and providing recommendations to the Board;
- (2) conducting research and formulating the Company's market value management system, reviewing the annual market value management report, evaluating its effectiveness and making recommendations to the Board on matters relating to market value management;
- (3) conducting research and making recommendations on the construction of the Company's environmental, social and governance management system and receiving relevant work reports; and
- (4) reviewing the Company's operating plans, investment plans and matters requiring the Board's decision, including adjustments to principal businesses, negative lists of investment projects, property transfers, and investment and financing matters; and
- (5) performing other functions and powers delegated by the Board, as well as such duties as required under applicable laws, administrative regulations, regulatory rules, the rules of the stock exchange on which the Company is listed, and the Articles of Association.

As at the end of 2025, the Strategy and Investment Committee comprised Mr. CHEN Wenjian, who is an executive director, Mr. WEN Limin, who is a non-executive director, Mr. XIU Long and Mr. TU Haiming, who are independent non-executive directors, and is chaired by Mr. CHEN Wenjian.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Strategy and Investment Committee held 9 meetings, the details of which are as follows:

| Date of Meeting | Meeting Agenda   | Major Advice and Recommendations  | Performance of Other Duties |
|-----------------|--|---|-----------------------------|
| 13 March 2025   | The meeting considered two proposals, including the "Proposal on China Railway's 2025 Investment Plan", and heard the "Report on China Railway's 2024 Market Value Management".  | The meeting recommended that the Company's investment business should continue to adhere to the principle of seeking progress while maintaining stability and strengthening approval processes, and should move towards improving team quality, decision-making quality, and execution quality, and conduct systematic thinking and planning during the formulation of the "15th Five-Year Plan". | Nil                         |
| 28 March 2025   | The meeting considered three proposals, including the "Proposal on China Railway's 2024 Environmental, Social and Governance Report and Social Responsibility Report", and heard two reports, including the "Report on the Accountability Work for Irregular Business and Investment Operations of China Railway in 2024". | Nil   | Nil                         |
| 29 April 2025   | The meeting considered the "Proposal on China Railway's Repurchase of Some A Shares of the Company".   | The meeting suggested that after approval by the shareholders' meeting, the timing of the share repurchase should be well grasped, and the repurchase plan should be implemented in compliance; the promotion of the repurchase should continue to be strengthened to maintain the Company's image in the capital market.   | Nil                         |
| 13 June 2025    | The meeting considered two proposals, including the "Proposal on China Railway Transportation Investment and Construction of Jiangxi G7021 Ningwu Expressway from Xingan to Ruichang (Gan-Hubei Border) Section, and Xingan to Xingguo Expressway Project".  | The meeting suggested that the project should properly plan the entire life cycle of 'investment, financing, construction, operation, and withdrawal,' and control costs effectively.   | Nil                         |
| 3 July 2025     | The meeting considered the "Proposal on Revitalizing the Assets of the Sichuan Tianfu Airport Expressway Project through Equity Transfer".   | Nil   | Nil                         |

## REPORT ON CORPORATE GOVERNANCE PRACTICES

| Date of Meeting   | Meeting Agenda  | Major Advice and Recommendations  | Performance of Other Duties |
|-------------------|---|---|-----------------------------|
| 29 August 2025    | The meeting considered two proposals, including the "Proposal on China Railway Construction Engineering Activating the Self-Held Properties of Beijing Nord Phase III through the Issuance of Hold-Type Real Estate ABS". | The meeting recommends that in the process of project transactions, all aspects such as asset valuation, equity transfer, and property registration should be lawful and compliant, follow standardized procedures, and meet the requirements of state-owned asset supervision and the relevant regulations of the joint-stock company. | Nil                         |
| 29 September 2025 | The meeting considered two proposals, including the "Proposal on the Mid-term Adjustment Plan of China Railway's 2025 Investment Plan".   | The meeting suggested strengthening the assessment of real estate investments and strictly controlling investments in real estate projects.   | Nil                         |
| 30 October 2025   | The meeting considered three proposals, including the "Proposal on Revising the Negative List of Investment Projects of China Railway Group Limited".   | The meeting suggested that the Company should, based on the direction of national policies and the management requirements of the SASAC of the State Council, and in combination with the actual situation of enterprise development, properly carry out dynamic updates of the negative list.  | Nil                         |
| 31 December 2025  | The meeting considered the "Proposal on China Railway Resources and China National Gold Group Corporation Jointly Establishing Zhongjin (Xing'an League) Mining Co., Ltd.".   | The meeting suggested that China Railway Resources should strengthen internal control risk prevention and management during cooperation with China National Gold.   | Nil                         |

## REPORT ON CORPORATE GOVERNANCE PRACTICES

The table below sets out the details of meeting attendance of each member of the Strategy and Investment Committee during the Reporting Period.

| Director     | Number of meetings requiring attendance | Number of meetings attended in person | Number of meetings attended by proxy |
|--------------|---|---------------------------------------|--------------------------------------|
| CHEN Wenjian | 9                                       | 9                                     | 0                                    |
| WEN Limin    | 9                                       | 8                                     | 1                                    |
| XIU Long     | 9                                       | 9                                     | 0                                    |
| TU Haiming   | 9                                       | 9                                     | 0                                    |

### (b) Audit and Risk Management Committee

Pursuant to the Articles of Association, the Company does not have a supervisory committee or supervisors, and the Audit and Risk Management Committee of the Board exercises the powers and functions of the supervisory committee as stipulated in the Company Law. The principal duties of the Audit and Risk Management Committee include, among other things:

- (1) making recommendations to the Board on the appointment, reappointment and removal of external auditors, and evaluating the independence, objectivity and effectiveness of the audit procedures of external audit institutions;

## REPORT ON CORPORATE GOVERNANCE PRACTICES

- (2) reviewing the annual audit plan, management recommendation letter and major audit findings, and urging the management to implement rectification measures;
- (3) reviewing the Company's financial accounting reports, accounting policies and changes in accounting estimates, examining major judgments contained in the financial statements, and maintaining regular communication with external auditors;
- (4) guiding, supervising and evaluating the internal audit function, reviewing the annual internal audit plan and work reports, studying major audit conclusions and rectification progress, and making recommendations to the Board on the appointment or dismissal of the head of internal audit;
- (5) supervising the construction and effectiveness of the Company's risk management, internal control and compliance management systems, reviewing internal control self assessment reports and internal control audit reports issued by external auditors, and studying the management's responses to relevant review findings;

## REPORT ON CORPORATE GOVERNANCE PRACTICES

- (6) reviewing and supervising related party transactions, coordinating communication between internal and external audit functions, checking the implementation of Board resolutions and delegated authorities, conducting post evaluation of investment projects, and supervising the conduct of directors and senior management and making recommendations on accountability where appropriate; and
- (7) performing the relevant duties under the Corporate Governance Code, as well as other matters authorised by the Board and those required under applicable laws and regulations.

The Audit and Risk Management Committee's terms of reference are available on the websites of the Company and the Hong Kong Stock Exchange.

As at the end of 2025, the Audit and Risk Management Committee comprised Ms. SUN Lishi, who is an independent non-executive director, Mr. WEN Limin, who is a non-executive director, and Mr. XIU Long, who is an independent non-executive director, and is chaired by Ms. SUN Lishi.

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During the Reporting Period, the Audit and Risk Management Committee held 6 meetings, the details of which are as follows:

| Date of Meeting  | Meeting Agenda   | Major Advice and Recommendations  | Performance of Other Duties |
|------------------|--|---|-----------------------------|
| 27 March 2025    | The meeting considered 12 proposals, including the "Proposal on the 2024 A Share Annual Report and the Abstract, H Share Annual Report and Results Announcement for the Year 2024" and heard 2 reports, including the "Report on the Summary of Internal Control Audit Work of China Railway Group Limited for the Year 2024". | The meeting suggested that the Company should continue to strengthen project management, increase efforts in rights confirmation and settlement, and accelerate fund recovery; it should strengthen debt management and strictly control the financing budget; and reasonably manage the scale of asset securitization business.  | Nil                         |
| 29 April 2025    | The meeting considered two proposals, including the "Proposal on China Railway 2025 First Quarter Report".   | The meeting suggested that the Company should actively take strong measures to ensure the completion of annual budget targets; strengthen cash flow management and control the scale of interest-bearing liabilities; pay attention to the debt ratios of subsidiaries and moderately strengthen control efforts.   | Nil                         |
| 20 June 2025     | The meeting heard two reports, including the "Report on the Review Plan of the Interim Financial Statements of China Railway Group Limited (A+H) for 2025".  | Nil   | Nil                         |
| 28 August 2025   | The meeting considered three proposals, including the "Proposal on the 2025 A Share Interim Report and the Abstract, H Share Interim Report and Results Announcement for the Year 2025", and heard seven reports, including the "Report on the Summary of the 2025 Interim Financial Statement Review Work".                   | The meeting suggests that the Company's management closely monitor the confirmation of long-completed but unverified contract assets and the recovery dynamics of overdue receivables, accelerate asset turnover, and speed up fund recovery; increase efforts to reduce long-completed unfinished projects to solidify corporate profits; coordinate and plan debt payments, and effectively handle the governance of the 'two arrears' issues.  | Nil                         |
| 29 October 2025  | The meeting considered two proposals, including the "Proposal on the 2025 Third Quarter Report", and heard the "Report on the Implementation of the 2024 Audit Management Recommendations of China Railway".   | The meeting suggests that the Company, in accordance with strategic development planning and standardized financial management construction requirements, focus on the full life cycle management of long-term receivables. By establishing a systematic management system with clear responsibilities, standardized processes, and specific measures, it aims to promote closed-loop management of long-term receivables from formation to recovery, comprehensively enhancing the Company's capital turnover efficiency and risk prevention capabilities. | Nil                         |
| 24 December 2025 | The meeting considered four proposals, including the "Proposal on the Audit Work Plan for the 2025 Financial Statements of China Railway", and listened to the "Report on the Interpretation of the Implementation Measures for Accountability in Case of Violations in Business Investment by Central Enterprises".           | Nil   | Nil                         |

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The table below sets out the details of meeting attendance of each member of the Audit and Risk Management Committee during the Reporting Period.

| Director  | Number of meetings requiring attendance | Number of meetings attended in person | Number of meetings attended by proxy |
|-----------|---|---------------------------------------|--------------------------------------|
| SUN Lishi | 6                                       | 6                                     | 0                                    |
| WEN Limin | 6                                       | 5                                     | 1                                    |
| XIU Long  | 6                                       | 6                                     | 0                                    |

### (c) Remuneration and Appraisal Committee

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

- (1) formulating and reviewing the appraisal standards, remuneration policies and decision making mechanisms for directors and senior management, and making recommendations to the Board on the remuneration structure, payment and stop payment recourse arrangements;
- (2) studying and formulating or adjusting the equity incentive plan, employee share ownership plan and the relevant grant and exercise conditions, and providing opinions on the shareholding arrangements of directors and senior management in connection with proposed spin offs of subsidiaries;
- (3) reviewing and approving compensation payable to executive directors and senior management for loss or termination of office or appointment, to ensure that such arrangements conform with contractual terms or are otherwise fair and reasonable;
- (4) reviewing and approving compensation arrangements relating to the dismissal or removal of directors due to misconduct;
- (5) studying the Company's payroll budget, income distribution, annuity and other remuneration and benefits policies and plans, and making recommendations to the Board; and
- (6) performing other functions and powers delegated by the Board, as well as such duties as required under applicable laws, administrative regulations, regulatory rules, the rules of the stock exchange on which the Company is listed, and the Articles of Association.

The Remuneration and Appraisal Committee's terms of reference are available on the websites of the Company and the Hong Kong Stock Exchange.

As at the end of 2025, the Remuneration and Appraisal Committee comprised Mr. XIU Long, who is an independent non-executive director, Mr. WEN Limin, who is a non-executive director, and Ms. SUN Lishi, who is an independent non-executive director, and is chaired by Mr. XIU Long.

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During the Reporting Period, the Remuneration and Appraisal Committee held 8 meetings, the details of which are as follows:

| Date of Meeting   | Meeting Agenda  | Major Advice and Recommendations   | Performance of Other Duties |
|-------------------|---|--|-----------------------------|
| 13 January 2025   | The meeting considered the "Proposal on the 2024 Performance Evaluation of Senior Management and Other Leaders of China Railway Group Limited and the 2025 Evaluation Work Plan".                                       | The meeting recommended maintaining the seriousness and standardization of the assessment work, appropriately and flexibly determining the values and scoring standards of the 2024 assessment indicators based on actual circumstances, and considering fairness and impartiality when evaluating results; the 2025 assessment work plan should be further optimized in combination with General Secretary Xi Jinping's 20-character requirements for leaders of state-owned enterprises. | Nil                         |
| 13 March 2025     | The meeting considered three proposals, including the "Proposal on Adjustments to the Second Batch of the First Grant under 2021 Restricted Share Incentive Scheme of China Railway for the Unlocking of Restrictions". | Nil  | Nil                         |
| 29 April 2025     | The meeting considered the "Proposal on the Implementation Plan and Assessment Target Values for the Business Performance Evaluation of China Railway's Affiliated Units for 2025".                                     | The meeting suggested that the Company should make good use of the assessment baton, using assessment methods to address key issues in the Company's development, reduce debt, and increase revenue.   | Nil                         |
| 12 June 2025      | The meeting considered two proposals, including the "Proposal on the 2025 Total Wage Budget Plan of China Railway Group Limited".   | Nil  | Nil                         |
| 3 July 2025       | The meeting considered the "Proposal on Formulating the Implementation Rules for the Performance Assessment of Senior Management Personnel of China Railway Group Limited".   | The meeting suggested that the Company's assessment should be simple rather than complicated, focusing on aligning with the SASAC's 'three-dimensional integrated' assessment method, while detailing key assessment points based on the needs of enterprise development and prominent issues, so as to stimulate the creativity and initiative of senior management.  | Nil                         |
| 28 August 2025    | The meeting considered two proposals, including the "Proposal on the Implementation Plan for the Performance Assessment of Leaders of Secondary Units of China Railway and the Term Assessment Target Values".          | Nil  | Nil                         |
| 24 September 2025 | The meeting considered nine proposals, including the "Proposal on the Completion of the 2024 Performance Contracts of Senior Management and Other Leaders of the Joint-Stock Company".                                  | The meeting recommended focusing on the actual situation of the Company's production and operations, the correlation between performance evaluation and executive compensation, and further studying how to optimize operational indicators and management indicators based on the Company's actual production and operations, particularly the scoring of individual KPI indicators.  | Nil                         |
| 24 December 2025  | The meeting considered the "Proposal on the Unlocking of Restrictions for the Second Batch of the Reserved Grant under the 2021 Restricted Share Incentive Scheme of China Railway".                                    | Nil  | Nil                         |

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The Remuneration and Appraisal Committee was responsible for preparing the incentive scheme and submitted it to the Board for consideration. The Remuneration and Appraisal Committee reviewed material matters relating to the 2021 Restricted Share Incentive Scheme, including the purpose of the 2021 Restricted Share Incentive Scheme and participants of the 2021 Restricted Share Incentive Scheme. For details of the 2021 Restricted Share Incentive Scheme, please refer to “Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof” of “Significant Events” on pages 297 to 306 of this annual report.

The table below sets out the details of meeting attendance of each member of the Remuneration and Appraisal Committee during the Reporting Period.

| Director  | Number of meetings requiring attendance | Number of meetings attended in person | Number of meetings attended by proxy |
|-----------|---|---------------------------------------|--------------------------------------|
| XIU Long  | 8                                       | 7                                     | 1                                    |
| WEN Limin | 8                                       | 8                                     | 0                                    |
| SUN Lishi | 8                                       | 8                                     | 0                                    |

The emolument paid to directors, supervisors and members of senior management of the Company are determined in accordance with the contractual terms under their respective service contract. Details of the remuneration of directors and supervisors are set out in note 16 and note 47 to the Financial Statements.

### (d) Nomination Committee

The principal duties of the Nomination Committee include, among other things:

- (1) formulating the standards, procedures and methods for the selection of directors and senior management of the Company and submitting the same to the Board for consideration;
- (2) identifying individuals suitably qualified to serve as directors, selecting and nominating candidates for directorship, and reviewing candidates for directors and the president and making recommendations;
- (3) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to support the Company’s corporate strategy;
- (4) assessing the independence of independent non executive directors;
- (5) making recommendations to the Board on the appointment and re-appointment of directors and on succession planning for directors, in particular the chairman and the president;
- (6) reviewing the candidates for other members of the management proposed by the president and their qualifications, and making recommendations to the Board;

## REPORT ON CORPORATE GOVERNANCE PRACTICES

- (7) making recommendations to the Company on talent reserve and human resources planning, and identifying suitable candidates in the domestic and overseas labour markets as well as within the Company; and
- (8) performing other functions and powers delegated by the Board, as well as such duties as required under applicable laws, administrative regulations, regulatory rules, the rules of the stock exchange on which the Company is listed, and the Articles of Association.

As at the end of 2025, the Nomination Committee comprised Mr. CHEN Wenjian, who is executive director, and Ms. SUN Lishi and Mr. TU Haiming, who are independent non-executive directors, and is chaired by Mr. CHEN Wenjian.

According to the nomination policy adopted by the Company, the Nomination Committee shall nominate director candidates for election in accordance with the formalities and procedures stipulated in the Articles of Association and the rules of procedures of the Nomination Committee, and consider candidates for directorship based on objective standards, including but not limited to education background, qualification, ability, industry related experience of the individual candidates and if the candidate is proposed to be elected as an independent non-executive director of the Company, whether or not such candidate meets the independence requirements under the Listing Rules.

According to the Articles of Association, the methods and procedures to nominate directors are as follows:

- (1) shareholders holding, individually or jointly, more than 1% in the total number of the outstanding voting shares of the Company may put forward in a written proposal to the general meeting of shareholders the candidates of non-independent directors to be appointed from those other than the employee representatives, provided that the number of persons nominated must comply with the provisions of the Articles of Association and be not more than the number of persons contemplated to be elected. The said proposal put forward by the shareholders to the Company shall be sent to the Company at least fourteen (14) days prior to the date of the general meeting of shareholders;
- (2) the Board may, within the scope of the number of persons as provided in the Articles of Association, formulate a proposed name list of the candidates of directors who are not employee representatives according to the number of persons contemplated to be elected, and put forward the said list in a written proposal to the general meeting of shareholders;
- (3) the Company shall separately formulate a special system for the nomination of independent directors;
- (4) the written notice concerning the intention to nominate candidates of directors and the nominees' statement for acceptance of the nomination, as well as relevant written information of the nominees, shall be sent to the Company at least seven (7) days prior to the date the general meeting of shareholders is held. The Board shall provide resumes and basic information of the candidates of directors to the shareholders;
- (5) the general meeting of shareholders shall vote on each candidate of directors one by one, except those circumstances under which the cumulative voting system is applicable; and
- (6) in case of any interim increase or addition of directors, the candidates shall be put forward and suggested by the Board for election or replacement by the general meeting of shareholders.

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During the Reporting Period, the Nomination Committee held 3 meetings, the details of which are as follows:

| Date of Meeting | Meeting Agenda   | Major Advice and Recommendations | Performance of Other Duties |
|-----------------|--|----------------------------------|-----------------------------|
| 13 March 2025   | The meeting considered two proposals including the "Proposals on Removing CHEN Wenjian from the Position of President of China Railway Group Limited". | Nil                              | Nil                         |
| 29 April 2025   | The meeting considered the "Proposal on the Appointment of the Safety Production Director of China Railway Group Limited".                             | Nil                              | Nil                         |
| 16 July 2025    | The meeting considered the "Proposal on the Establishment of the Position of Chief Auditor and Appointment of the Chief Auditor".                      | Nil                              | Nil                         |

The table below sets out the details of meeting attendance of each member of the Nomination Committee during the Reporting Period.

| Director                                | Number of meetings requiring attendance | Number of meetings attended in person | Number of meetings attended by proxy |
|---|---|---------------------------------------|--------------------------------------|
| CHEN Wenjian (elected on 12 March 2025) | 2                                       | 2                                     | 0                                    |
| SUN Lishi                               | 3                                       | 3                                     | 0                                    |
| TU Haiming                              | 3                                       | 3                                     | 0                                    |

In order to enhance the efficiency in decision-making of the Board and the quality of corporate governance, and to achieve diversity on the Board, the Board has adopted the Board diversity policy, which sets out the approaches to achieve diversity among members of the Board and is available on the website of the Company. When selecting Board members, the Company gives full consideration to the benefits of all aspects of Board diversity, including but not limited to gender, race, age, territory, cultural and educational background, professional experience and length of service. All the members of the Board are appointed based on meritocratic principles and eventually decided by considering their strengths and contributions they can make to the Board.

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For the purpose of implementation of the Board diversity policy, the following measurable objectives were adopted by the Board:

- at least one independent non-executive director must be ordinary resident in Hong Kong;
- at least one independent non-executive director has work experience in taking charge of financial affairs in a large-scale enterprise, or is an expert in corporate financial and accounting affairs;
- at least one independent non-executive director has experience in the selection, performance review and remuneration management of senior management personnel in an enterprise;
- the number of independent non-executive directors shall not be less than one third of the members of the Board, and the number of independent non-executive directors and external non-executive directors shall be more than half of the members of the Board;
- the members of the Board shall have professional background and work experience closely related to the business development of the Company, understand the industry in which the Company conducts its business, and have the knowledge or work experience in infrastructure construction, real estate, mining resources, corporate management, accounting, economics, law, finance and etc., and most of the directors shall be experienced in decision-making on the operation and management of large-scale enterprises.

For the year ended 31 December 2025, the Board has fulfilled the measurable objectives of the Board diversity policy.

### (e) Safety, Health and Environmental Protection Committee

The principal duties of the Safety, Health and Environmental Protection Committee include, among other things:

- (1) guiding, reviewing and evaluating the implementation of the Company's safety, health and environmental protection plan, and giving advice to the Board regarding key issues with respect to the safety, health and environment of the Company; and
- (2) performing other functions and powers delegated by the Board, as well as such duties as required under applicable laws, administrative regulations, regulatory rules, the rules of the stock exchange on which the Company is listed, and the Articles of Association.

As at the end of 2025, the Safety, Health and Environmental Protection Committee comprised Mr. CHEN Wenjian and Mr. WANG Shiqi, who are executive directors, Mr. WEN Limin and Mr. FANG Xiaobing, who are non-executive directors, and Mr. TU Haiming, who is an independent non-executive director, and is chaired by Mr. CHEN Wenjian.

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During the Reporting Period, the Safety, Health and Environmental Protection Committee held 3 meetings, the details of which is as follow:

| Date of Meeting  | Meeting Agenda  | Major Advice and Recommendations   | Performance of Other Duties |
|------------------|---|--|-----------------------------|
| 28 March 2025    | The meeting listened to the "Report on the Safety, Quality, Occupational Health, and Environmental Protection Work of China Railway in 2024 and the Key Work Arrangements in 2025". | The meeting suggested that the Company should, on the basis of a well-established system, further utilize technological means to enhance risk prevention and early warning measures; strengthen the review and summary of environmental protection work, to comprehensively and objectively summarize the achievements and existing problems in environmental protection; continue to uphold the 'zero tolerance' concept for safety incidents, further reinforce the concept of safe production, implement the safety prevention measures that have been established, make full use of major business management activities to conduct thorough management of high-risk projects, and focus on early warning, so as to effectively ensure the Company's safe production and high-quality development. | Nil                         |
| 29 August 2025   | The meeting listened to the "Report on the Safety, Quality, Occupational Health, and Environmental Protection Work of China Railway Group in the First Half of 2025".               | Nil  | Nil                         |
| 31 December 2025 | The meeting considered the "Proposal on Revising the Safety, Quality, and Environmental Accident (Incident) Management Regulations of China Railway Group Limited".                 | Nil  | Nil                         |

The table below sets out the details of meeting attendance of each member of the Safety, Health and Environmental Protection Committee during the Reporting Period.

| Director                              | Number of meetings requiring attendance | Number of meetings attended in person | Number of meetings attended by proxy |
|---------------------------------------|---|---------------------------------------|--------------------------------------|
| CHENG Wenjian                         | 3                                       | 3                                     | 0                                    |
| WEN Limin                             | 3                                       | 3                                     | 0                                    |
| FANG Xiaobing                         | 1                                       | 1                                     | 0                                    |
| XIU Long                              | 2                                       | 2                                     | 0                                    |
| TU Haiming                            | 3                                       | 3                                     | 0                                    |
| WANG Shiqi (resigned on 2 March 2026) | 3                                       | 3                                     | 0                                    |

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### Joint Company Secretaries

Mr. MA Yonghong and Mr. TAM Chun Chung serve as joint company secretaries of the Company.

Mr. MA and Mr. TAM have confirmed that they had taken not less than 15 hours of relevant professional trainings during the Reporting Period.

### Shareholders' Rights

#### 1. Convening Extraordinary General Meeting

According to the Articles of Association, the shareholders of the Company who individually or jointly hold more than 10% of the voting shares at such proposed meeting may propose to convene an extraordinary general meeting of shareholders or a class shareholders' meeting. The procedures for shareholders to convene an extraordinary general meeting or a class shareholders' meeting are stated as below:

- (1) The proposing shareholder(s) shall execute one or several copies of written request with the same form and contents to propose to the Board to convene an extraordinary general meeting of shareholders or a class shareholders' meeting and set out the topics of the meeting. The Board shall make a written response as to whether or not it agrees to convene such an extraordinary general meeting of shareholders or class shareholders' meeting within ten days upon receipt of the request in accordance with laws, administrative regulations and the Articles of Association.
- (2) If the Board agrees to convene an extraordinary general meeting or a class shareholders' meeting, a notice of the meeting shall be issued within five days after the resolution of the Board is passed.
- (3) In case the Board refuses to convene an extraordinary general meeting or a class shareholders' meeting, or does not give any response within ten days upon receipt of the request, the shareholders who individually or jointly hold more than 10% of the voting shares at such proposed meeting shall have the right to propose to the Audit and Risk Management Committee for convening of such meeting, and shall make such request to the Audit and Risk Management Committee in writing. If the Audit and Risk Management Committee agrees to convene an extraordinary general meeting or a class shareholders' meeting, a notice of the meeting shall be issued within five days upon receipt of the request. Changes made to the original request in the notice shall be approved by relevant shareholders. If the Audit and Risk Management Committee fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, the shareholders who either individually or jointly hold more than 10% of the Company's shares for more than ninety consecutive days may convene and preside over the meeting by themselves.
- (4) When the Audit and Risk Management Committee or the shareholders decide to convene a general meeting of shareholders by themselves, they must notify the Board in writing and at the same time file the notice with the local branch of CSRC and the stock exchange where the Company is domiciled. Before the resolutions of general meeting of shareholders are publicly announced, the proportion of the voting shares held by the convening shareholder should not be less than 10%. When issuing the notice of general meeting of shareholders and the public announcement of the resolutions of general meeting of shareholders, the Audit and Risk Management Committee and convening shareholder shall submit relevant supporting materials to the local branch of CSRC and the stock exchange where the Company is domiciled.
- (5) For the general meeting of shareholders convened by the Audit and Risk Management Committee and or the shareholders themselves, the Board and the Secretary to the Board shall provide cooperation. The Board shall provide the register of shareholders as at the date of record.

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### 2. Putting Forward Proposals in the Shareholders' General Meeting

The procedures for putting forward proposals in the shareholders' general meeting are stated as below:

- (1) When the Company holds a general meeting of shareholders, shareholders who individually or jointly hold more than 1% of the voting shares of the Company shall have the right to prepare a proposal to the Company. Shareholders who hold more than 1% of the voting shares of the Company, either individually or jointly, may prepare an interim proposal and submit it in writing to the person(s) convening the meeting ten days before the general meeting of shareholders convenes. The person(s) convening the meeting shall issue a supplementary notice of the general meeting of shareholders within two days upon receipt of the proposal and publicly announce the contents of such proposal, and the interim proposal shall be submitted to the general meeting of shareholders for consideration, unless the interim proposal violates the laws, administrative regulations or provisions of the Articles of Association, or fails to fall into the scope of the general meeting of shareholders.
- (2) When the Company holds an annual general meeting of shareholders, it shall send a written notice to the shareholders at least twenty clear business days prior to the meeting; when holding an extraordinary general meeting of shareholders, it shall send a written notice to the shareholders at least ten clear business days or fifteen days, whichever is longer, prior to the meeting. Shareholders intending to be present in the general meeting of shareholders shall send a written reply of attendance to the Company within the time period stipulated in the notice.

### 3. Review of Shareholders' Communication

The Company reviewed its shareholders engagement and communication activities conducted in 2025 and was satisfied with the implementation and effectiveness of its shareholders' communication policy.

### 4. Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to: [ir@crecg.com](mailto:ir@crecg.com).

## Amendment to the Articles of Association

Taking into account the Guidelines for the Articles of Association of Listed Companies, the Rules Governing Shareholders' General Meetings of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operation, the Working Rules of the Board of Central Enterprises (Trial) and other latest revisions of laws and regulations, as well as the Company's actual management needs, certain amendments to the Articles of Association were approved by the Company at the 2021 annual general meeting held on 22 June 2022.

Pursuant to the stipulations in the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Listing Rules, the Company Law of the People's Republic of China, the Guidelines on the Articles of Association of Listed Companies, the Rules for the General Meeting of Shareholders of Listed Companies, and relevant amendments thereto, as well as the actual business management needs of the Company, certain amendments to the Articles of Association were approved by the Company at the 2024 annual general meeting held on 20 June 2025.

The latest version of the Articles of Association is available on the websites of the Company and the Hong Kong Stock Exchange.

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### Relationship with the Controlling Shareholder

CREC is the Company's controlling shareholder. The Company is independent from CREC in respect of its staff, assets, finance, organisational structure and business. During the Reporting Period, except for Mr. CHEN Yun, Chairman and executive director of the Company, who also serves as a chairman of CREC, Mr. CHEN Wenjian, executive director of the Company, who also serves as a director and the general manager of CREC, Mr. WANG Shiqi, executive director of the Company, who also serves as an employee director of CREC, and Mr. ZHAO Dianlong, who became an executive director of the Company after the Reporting Period, also served as a director and general manager of CREC, none of the other directors or senior management of the Company held any positions of directors or senior management with CREC or received any salary from CREC and/or its associates. Notwithstanding the fact that Mr. CHEN Yun, Mr. CHEN Wenjian, Mr. WANG Shiqi and Mr. ZHAO Dianlong (each an "**Overlapping Director**") act as directors or senior executives of CREC and directors or senior executives of the Company respectively, they have the capacity to commit to the daily management of the Company because there was less day-to-day management work of CREC. Moreover, each of the Overlapping Director represents a minority in the Board. During the Reporting Period, the Board also had three independent non-executive directors, which ensured that the interests of the Company and shareholders were protected. The Company also has its own financial management system and related personnel who are independent from CREC.

The Company entered into the Comprehensive Services Agreement and its renewal agreements with CREC in relation to the mutual provision of comprehensive services between CREC and the Group on 23 November 2007, 1 January 2010, 28 March 2013, 30 December 2015 and 27 December 2018 respectively, with each valid for three years. Pursuant to the Comprehensive Services Agreement and its renewal agreements, CREC and/or its associates will provide social services to the Group, including health check, vaccination and preventive medical services, on-site medical services, prevention of occupational diseases and other special medical services to employees of the Group as well as training to the Group's employees. On 30 December 2021, the Company entered into another comprehensive services renewal agreement with CREC, effective from 1 January 2022 to 31 December 2024. On 30 December 2024, the Company entered into another comprehensive services renewal agreement with CREC, effective from 1 January 2025 to 31 December 2027. None of the relevant percentage ratios of the transactions under these comprehensive services renewal agreements is more than 0.1%, and such transactions are therefore exempted from all reporting, announcement and independent shareholders' approval under the Listing Rules.

On 29 April 2014, China Railway Finance (a subsidiary of the Company, with 95% of its equity interest being held by the Company and 5% of its equity interest being held by CREC) entered into the Financial Services Framework Agreement with CREC, effective from 16 March 2014 to 31 December 2015. Pursuant to the Financial Services Framework Agreement, China Railway Finance agreed to provide deposit services, comprehensive credit services and miscellaneous financial services to CREC. On 29 December 2015, China Railway Finance and CREC entered into the Financial Services Framework Renewal Agreement, effective from 1 January 2016 to 31 December 2018, to renew the Financial Services Framework Agreement. On 27 December 2018, China Railway Finance and CREC entered into another financial services framework renewal agreement, effective from 1 January 2019 to 31 December 2021. On 30 December 2021, China Railway Finance and CREC entered into a new financial services framework renewal agreement, effective from 1 January 2022 to 31 December 2024, to further renew the Financial Services Framework Agreement. On 30 December 2024, China Railway Finance and CREC entered into a new financial services framework renewal agreement, effective from 1 January 2025 to 31 December 2027, to further renew the Financial Services Framework Agreement.

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### Auditors' Remuneration

The Company has engaged Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP (collectively the “**External Auditors**”) as the international and domestic auditors of the Company for 2025, respectively.

For the year ended 31 December 2025, fees paid to the External Auditors for the audit of the financial statements of the Group are approximately RMB28.56 million and fees paid to the External Auditors (and member firms) for the non-audit services are approximately RMB12.65 million, which mainly includes tax services and agreed-upon procedures services etc.

### Risk Management and Internal Control

The Company, in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, and other relevant laws and regulations, as well as the relevant requirements and regulations of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, focuses on the goal of building a “law-abiding and compliant China Railway”, continuously improving a strictly controlled and highly constrained internal control system, and providing a solid guarantee for the Company’s high-quality development. Firstly, the internal control system has been perfected. In 2025, the Company conducted a systematic review of various rules and regulations at headquarters and formed the ‘Headquarters System Optimization Work Plan,’ further standardizing the hierarchy of systems and reducing the number of systems. According to industry regulatory policy trends, special management systems such as the ‘China Railway Investment Negative List’ and the ‘Domestic Infrastructure Project Investment Control Management Rules’ were promptly revised to continuously improve key area internal control systems. Secondly, corporate governance has been continually optimized. In combination with regulatory requirements such as the abolition of the Supervisory Committee and the Company’s management needs, multiple governance systems including the Articles of Association and the Procedural Rules for the Board were revised. Strictly following laws, regulations, and regulatory requirements, the Company promoted the efficient completion of the supervisory committee abolition tasks for the parent and subsidiaries, and established a work mechanism whereby the Audit and Risk Management Committee undertakes the responsibilities of the Supervisory Committee to ensure the smooth transition of the Board’s supervisory functions. Thirdly, the prevention and control of major risks have been strengthened. The Company has improved the annual major operational risk forecasting and assessment mechanism and the quarterly major operational risk monitoring mechanism, strengthened dynamic tracking and monitoring of risks, optimized and improved risk prevention and control measures, clarified internal control supervision responsibilities in key areas for important businesses, personnel, and critical processes, and implemented risk prevention and control responsibilities. Fourthly, supervision and inspection have been strengthened to reinforce system implementation. The Company fully leveraged the governance effectiveness of the ‘six-in-one’ major supervision system consisting of Party Committee inspections, disciplinary supervision, financial supervision, audit supervision, compliance supervision, and employee democratic supervision, enhancing supervisory penetration, conducting multiple joint domestic and international inspections annually, and continuously improving the system and internal control processes through supervision and inspection.

In addition, the Company strictly complied with regulatory rules and prepared 2025 annual social responsibility report and appraisal report on internal control. The Company engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the internal control auditor of the Company for 2025. Deloitte Touche Tohmatsu Certified Public Accountants LLP has audited the effectiveness of the Company’s internal control in relation to financial report in 2025 and issued unqualified opinions in this respect.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### Whistleblowing Policy

The Group has whistleblowing policy in place, which is applicable to all Directors, employees and stakeholders (including investors, customers, suppliers, creditors, debtors, etc.). The purpose of the policy is to provide channels for employees and any external parties to report any improper or illegal acts of the Company, whether potential or existing, in respect of the financial reporting, internal control or otherwise on a confidential basis.

A whistleblower can report through the reporting platform of the Company's website. The disciplinary committee of the Company is responsible for the investigation of all whistleblowing cases reported in good faith. The Board of the Company will decide any further actions (if necessary) based on the investigation findings of the disciplinary committee.

The identity of the whistleblower and all concerns or irregularities raised will be considered as confidential information, and the Company is committed to ensure the whistleblower shall not be harmed or unfairly treated as well as the confidentiality of the whole reporting process.

### Anti-corruption Policy

The Company issued the "Implementation Measures for the Supervision and Management of Handling of Complaints, Reports and Cases by the Disciplinary Inspection Organisations", to strictly supervise and manage the handling of complaints, reports and cases pursuant to rules, disciplines and laws. Disciplinary inspection organisations have been established in the headquarter and each level of enterprises of the Company to handle any complaints and reports on anti-corruption. Disciplinary inspection organisations at each level had records to keep track of the handling of any clues of complaints and reported issues, and handled each issue and clue strictly in accordance with the relevant regulations. The approval procedures in respect of handling of any complaints and reports have been strictly followed, and the relevant staff are required to strictly comply with the confidentiality requirements to protect the privacy and safety of whistleblowers, and those who conceal the clues or leak any secrets will be held responsible.

### Accountability of the Directors in Relation to Financial Statements

The Directors are responsible for overseeing the preparation of financial statements. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected and applied appropriate accounting policies and made prudent and reasonable judgment and estimation so as to give a true and fair view of the financial position, results and cash flow of the Group for that financial year.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

### Board Independence

In order to ensure that independent views and input of the independent non-executive directors are made available to the Board, the Board is committed to assess the directors' independence annually with regards to all relevant factors related to the independent non-executive directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive directors regularly without the presence of the executive directors.

All directors are entitled to seek advice from the company secretary as well as from independent professional advisors at the Company's expenses.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 113 to 118 of this annual report.

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF CHINA RAILWAY GROUP LIMITED

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

### Opinion

We have audited the consolidated financial statements of China Railway Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 119 to 289, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT

### Key Audit Matters (Continued)

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Revenue recognition from infrastructure construction contracts</b></p> <p>Refer to Note 3, Note 4 and Note 5 to the consolidated financial statements.</p> <p>The Group's revenue primarily consists of infrastructure construction contracts amounting to RMB925,351 million for the year ended 31 December 2025. The Group's revenue from infrastructure construction contracts is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, depending on the nature of the contract, and is measured mainly by reference to the proportion of contract costs incurred for work performed to date to estimated total contract costs of that contract. Management estimates the total contract revenue and total contract costs at the inception of each contract. As the contract progresses, management regularly reviews and revises the estimates of total contract revenue and total contract costs if circumstances change, such as variations in contract work, claims and incentive payments. The increases or decreases in estimated total contract revenue or total contract costs resulted in the adjustments to the extent of progress toward completion and revenue recognised in the period in which the circumstances that give rise to the revision becomes known by management.</p> <p>We identified the revenue recognition from infrastructure construction contracts as a key audit matter because of the significant management estimation and judgement required in determining total contract revenue and total contract costs.</p> | <p>Our procedures in relation to revenue recognition from infrastructure construction contracts mainly included:</p> <ol style="list-style-type: none"> <li>(1) Testing and evaluating the design and operating effectiveness of the key internal controls relevant to determination and revision of total contract revenue and total contract costs and revenue recognition of infrastructure construction contracts;</li> <li>(2) Checking on a sample basis by reference to infrastructure construction contracts ledger, whether the estimated total contract revenue and total contract costs are consistent with the project contracts and cost budget that they base on;</li> <li>(3) Performing recalculation of performance progress of infrastructure construction contracts on a sample basis by reference to infrastructure construction contracts ledger;</li> <li>(4) Checking construction costs incurred during the year by tracing to supporting documents on a sample basis, and performing cut-off tests on construction costs;</li> <li>(5) Assessing the reasonableness of the performance progress by visiting the selected samples of sites of construction projects, observing the progress of the construction work, discussing with the site project managers the extent to which the construction work was completed and comparing with performance progress in record;</li> <li>(6) Performing gross margin analysis by segment of infrastructure construction contracts.</li> </ol> |

## INDEPENDENT AUDITOR'S REPORT

## Key Audit Matters (Continued)

| Key audit matter (Continued)   | How our audit addressed the key audit matter (Continued)   |
|--|--|
| <p><b>Expected credit losses of trade receivables and contract assets</b></p> <p>Refer to Note 3, Note 4, Note 29 and Note 30 to the consolidated financial statements.</p> <p>As at 31 December 2025, the carrying amounts of trade receivables and contract assets amounted to RMB288,878 million and RMB631,417 million, respectively, with loss allowances amounted to RMB19,190 million and RMB8,507 million, respectively that are significant to the consolidated financial statements.</p> <p>The Group recognises lifetime expected credit losses for trade receivables and contract assets. For trade receivables and contract assets which are impaired, the Group assesses individually and provides for credit losses allowance. For other trade receivables and contract assets, they are grouped by reference to the credit risk characteristics and assessed for credit losses allowance through exposure at default and the lifetime expected credit loss rates. When measuring expected credit loss, the Group considers its own credit loss incurred in the past and adjusts by taking into consideration current conditions and forward-looking information.</p> <p>We identified the expected credit losses of trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements and its involvement of significant management estimation and judgement.</p> | <p>Our procedures in relation to the expected credit losses of trade receivables and contract assets mainly included:</p> <ol style="list-style-type: none"> <li>(1) Testing and evaluating the design and operating effectiveness of the key internal controls relevant to expected credit losses of trade receivables and contract assets;</li> <li>(2) Reviewing the relevant consideration and objective evidence used by the management in assessing the expected credit losses of trade receivables and contract assets;</li> <li>(3) For trade receivables and contract assets individually assessed for expected credit losses, reviewing the supporting documents and assessing the reasonableness of the provision determined by the management based on the financial position and creditworthiness of customers, historical payment and settlement records, and forecasted future economic conditions on a sample basis;</li> <li>(4) For trade receivables and contract assets assessed collectively by reference to the credit risk characteristics for expected credit losses, assessing the reasonableness of grouping classification and provision rates of each grouping determined by the management, including recalculation of historical actual loss rates used by the management in the provision matrix, and involving our internal valuation specialists to evaluate the appropriateness of measurement method of expected credit loss model and management's assessment of forward-looking information. Meanwhile, assessing the appropriateness of classification of trade receivables and contract assets by reference to the credit risk characteristics for expected credit losses on a sample basis.</li> </ol> |

## INDEPENDENT AUDITOR'S REPORT

### Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## INDEPENDENT AUDITOR'S REPORT

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Yam Siu Man.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

30 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

|  | <i>Notes</i> | <b>Year ended<br/>31/12/2025<br/>RMB million</b> | <b>Year ended<br/>31/12/2024<br/>RMB million</b> |
|--|--------------|--|--|
| Revenue  | 5            | <b>1,093,494</b>                                 | 1,160,311  |
| Cost of sales and services   | 12           | <b>(995,537)</b>                                 | (1,050,080)                                      |
| <b>Gross profit</b>  |              | <b>97,957</b>                                    | 110,231  |
| Other income   | 6            | <b>4,462</b>                                     | 4,018  |
| Other expenses   | 6            | <b>(1,216)</b>                                   | (847)  |
| Net impairment losses on financial assets and contract assets  | 7            | <b>(6,429)</b>                                   | (6,798)  |
| Other gains and losses, net  | 8            | <b>737</b>                                       | 754  |
| Losses from derecognition of financial assets at amortised cost  | 9            | <b>(4,393)</b>                                   | (5,145)  |
| Selling and marketing expenses   | 12           | <b>(6,404)</b>                                   | (6,944)  |
| Administrative expenses  | 12           | <b>(23,173)</b>                                  | (25,495)   |
| Research and development expenditures  | 12           | <b>(22,443)</b>                                  | (26,632)   |
| <b>Operating profit</b>  |              | <b>39,098</b>                                    | 43,142   |
| Finance income   | 10           | <b>6,415</b>                                     | 7,875  |
| Finance costs  | 10           | <b>(14,096)</b>                                  | (12,814)   |
| Share of post-tax losses of joint ventures   |              | <b>(244)</b>                                     | (724)  |
| Share of post-tax profits of associates  |              | <b>3,278</b>                                     | 3,134  |
| <b>Profit before income tax</b>  |              | <b>34,451</b>                                    | 40,613   |
| Income tax expense   | 11           | <b>(8,104)</b>                                   | (9,855)  |
| <b>Profit for the year</b>   |              | <b>26,347</b>                                    | 30,758   |
| <b>Profit attributable to:</b>   |              |  |  |
| – Owners of the Company  |              | <b>22,892</b>                                    | 27,887   |
| – Non-controlling interests  |              | <b>3,455</b>                                     | 2,871  |
|  |              | <b>26,347</b>                                    | 30,758   |
| <b>Earnings per share for profit attributable to owners of the Company</b><br>(expressed in RMB per share) |              |  |  |
| – Basic  | 15           | <b>0.848</b>                                     | 1.085  |
| – Diluted  | 15           | <b>0.848</b>                                     | 1.084  |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

|  | NOTES | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|-------|---------------------------|---------------------------|
| <b>ASSETS</b>  |       |                           |                           |
| <b>Non-current Assets</b>  |       |                           |                           |
| Property, plant and equipment                                    | 17    | 151,489                   | 145,360                   |
| Right-of-use assets  | 18    | 16,625                    | 16,401                    |
| Deposits for acquisition of property, plant and equipment        |       | 1,036                     | 600                       |
| Investment properties  | 19    | 21,953                    | 18,959                    |
| Intangible assets  | 20    | 279,973                   | 232,245                   |
| Mining assets  | 21    | 7,442                     | 7,671                     |
| Contract assets  | 30    | 264,572                   | 264,336                   |
| Investments in joint ventures                                    | 23    | 60,626                    | 57,020                    |
| Investments in associates  | 23    | 74,138                    | 69,690                    |
| Goodwill   | 24    | 1,346                     | 1,558                     |
| Financial assets at FVTOCI                                       | 25    | 18,902                    | 20,971                    |
| Other financial assets at amortised cost                         | 26    | 21,272                    | 24,774                    |
| Financial assets at fair value through profit or loss ("FVTPL")  | 31    | 17,982                    | 17,965                    |
| Deferred tax assets  | 41    | 18,592                    | 15,216                    |
| Other prepayments  |       | 599                       | 645                       |
| Trade and other receivables                                      | 29    | 174,219                   | 98,762                    |
|  |       | <b>1,130,766</b>          | 992,173                   |
| <b>Current Assets</b>  |       |                           |                           |
| Properties held for sale   | 27    | 58,111                    | 55,019                    |
| Properties under development for sale                            | 27    | 104,019                   | 118,324                   |
| Inventories  | 28    | 73,478                    | 72,372                    |
| Financial assets at FVTOCI                                       | 25    | 854                       | 752                       |
| Trade and other receivables                                      | 29    | 442,111                   | 388,827                   |
| Contract assets  | 30    | 366,845                   | 333,120                   |
| Current income tax recoverable                                   |       | 4,873                     | 5,036                     |
| Other financial assets at amortised cost                         | 26    | 22,949                    | 27,737                    |
| Financial assets at FVTPL  | 31    | 12,924                    | 12,155                    |
| Restricted cash and term deposit with maturity over three months | 32    | 42,180                    | 50,577                    |
| Cash and cash equivalents  | 33    | 211,322                   | 199,485                   |
| Assets classified as held for sale                               |       | –                         | 689                       |
|  |       | <b>1,339,666</b>          | 1,264,093                 |
| <b>Total Assets</b>  |       | <b>2,470,432</b>          | 2,256,266                 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AT 31 DECEMBER 2025

|   | NOTES | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|-------|---------------------------|---------------------------|
| <b>EQUITY</b>   |       |                           |                           |
| <b>Equity attributable to owners of the Company</b>   |       |                           |                           |
| Share capital   | 34    | 24,686                    | 24,742                    |
| Treasury shares                                       | 35    | (160)                     | (333)                     |
| Share premium and reserves                            | 36    | 293,595                   | 279,868                   |
| Perpetual notes                                       | 37    | 52,794                    | 50,290                    |
|   |       | <b>370,915</b>            | 354,567                   |
| Non-controlling interests                             |       | <b>169,535</b>            | 155,425                   |
| <b>Total Equity</b>                                   |       | <b>540,450</b>            | 509,992                   |
| <b>LIABILITIES</b>                                    |       |                           |                           |
| <b>Non-current Liabilities</b>                        |       |                           |                           |
| Trade and other payables                              | 38    | 92,193                    | 84,322                    |
| Borrowings  | 39    | 426,368                   | 373,736                   |
| Lease liabilities                                     |       | 3,411                     | 3,015                     |
| Retirement and other supplemental benefit obligations | 40    | 1,450                     | 1,654                     |
| Provisions  |       | 3,964                     | 1,709                     |
| Deferred government grants and income                 |       | 1,116                     | 929                       |
| Deferred tax liabilities                              | 41    | 6,895                     | 4,712                     |
|   |       | <b>535,397</b>            | 470,077                   |
| <b>Current Liabilities</b>                            |       |                           |                           |
| Trade and other payables                              | 38    | 1,091,052                 | 958,911                   |
| Contract liabilities                                  | 30    | 150,871                   | 161,139                   |
| Current income tax liabilities                        |       | 8,477                     | 9,075                     |
| Borrowings  | 39    | 141,796                   | 144,231                   |
| Lease liabilities                                     |       | 1,293                     | 1,137                     |
| Retirement and other supplemental benefit obligations | 40    | 215                       | 234                       |
| Financial liabilities at FVTPL                        | 31    | 878                       | 665                       |
| Provisions  |       | 3                         | 805                       |
|   |       | <b>1,394,585</b>          | 1,276,197                 |
| <b>Total Liabilities</b>                              |       | <b>1,929,982</b>          | 1,746,274                 |
| <b>Total Equity and Liabilities</b>                   |       | <b>2,470,432</b>          | 2,256,266                 |

The consolidated financial statements on pages 119 to 289 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

**CHEN Wenjian**  
DIRECTOR

**ZHAO Dianlong**  
DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

|   | Attributable to owners of the Company |                              |                                |                                |                                  |   |   |                                |                                  |                         |  |                      |
|---|---------------------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|---|---|--------------------------------|----------------------------------|-------------------------|--|----------------------|
|   | Share capital<br>RMB million          | Share premium<br>RMB million | Treasury shares<br>RMB million | Capital reserve<br>RMB million | Statutory reserve<br>RMB million | Foreign currency translation reserve<br>RMB million | Investment revaluation reserve<br>RMB million | Perpetual notes<br>RMB million | Retained earnings<br>RMB million | Subtotal<br>RMB million | Non-controlling interests<br>RMB million | Total<br>RMB million |
| At 1 January 2025   | 24,742                                | 52,628                       | (333)                          | 3,312                          | 22,924                           | (1,012)   | 974   | 50,290                         | 201,042                          | 354,567                 | 155,425                                  | 509,992              |
| Profit for the year   | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | 22,892                           | 22,892                  | 3,455                                    | 26,347               |
| Other comprehensive income/(expense)  | -                                     | -                            | -                              | 6                              | -                                | (90)  | -   | -                              | -                                | (84)                    | (15)                                     | (99)                 |
| <b>Total comprehensive income/(expense) for the year</b>                                      | -                                     | -                            | -                              | 6                              | -                                | (90)  | -   | -                              | 22,892                           | 22,808                  | 3,440                                    | 26,248               |
| Repurchase and cancel restricted stock (Note 35)  | (56)                                  | (142)                        | 176                            | -                              | -                                | -   | -   | -                              | 22                               | -                       | -  | -                    |
| Repurchase of shares (Note 35)  | -                                     | -                            | (160)                          | -                              | -                                | -   | -   | -                              | -                                | (160)                   | -  | (160)                |
| Amount recorded in shareholders' equity arising from 2021 Restricted Share Incentive Scheme   | -                                     | -                            | -                              | 4                              | -                                | -   | -   | -                              | -                                | 4                       | -  | 4                    |
| Unlock restricted stock (Note 35)   | -                                     | 65                           | 163                            | (65)                           | -                                | -   | -   | -                              | -                                | 163                     | -  | 163                  |
| Capital reductions from non-controlling shareholders of subsidiaries                          | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | (8,979)                                  | (8,979)              |
| Capital contributions from non-controlling shareholders of subsidiaries                       | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | 15,017                                   | 15,017               |
| Transaction with non-controlling interests  | -                                     | 205                          | -                              | -                              | -                                | -   | -   | -                              | 2                                | 207                     | 1,575                                    | 1,782                |
| Acquisition of subsidiaries   | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | 745                                      | 745                  |
| Disposal of subsidiaries  | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | (5)                                      | (5)                  |
| Transfer of fair value gains of equity investment in other comprehensive income upon disposal | -                                     | -                            | -                              | -                              | 6                                | -   | (51)  | -                              | 45                               | -                       | -  | -                    |
| Issuance of perpetual notes (Note 37)   | -                                     | (3)                          | -                              | -                              | -                                | -   | -   | 7,500                          | -                                | 7,497                   | 5,110                                    | 12,607               |
| Redemption of perpetual notes (Note 37)   | -                                     | (4)                          | -                              | -                              | -                                | -   | -   | (4,996)                        | -                                | (5,000)                 | -  | (5,000)              |
| Dividends declared to shareholders  | -                                     | -                            | 10                             | -                              | -                                | -   | -   | -                              | (6,418)                          | (6,408)                 | -  | (6,408)              |
| Dividends declared to non-controlling shareholders of subsidiaries                            | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | (1,914)                                  | (1,914)              |
| Dividends declared to perpetual notes holders (Note 37)                                       | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | (2,741)                          | (2,741)                 | (879)                                    | (3,620)              |
| Transfer to reserves  | -                                     | -                            | -                              | -                              | 1,640                            | -   | -   | -                              | (1,640)                          | -                       | -  | -                    |
| Others  | -                                     | (6)                          | (16)                           | -                              | -                                | -   | -   | -                              | -                                | (22)                    | -  | (22)                 |
| <b>At 31 December 2025</b>  | <b>24,686</b>                         | <b>52,743</b>                | <b>(160)</b>                   | <b>3,257</b>                   | <b>24,570</b>                    | <b>(1,102)</b>                                      | <b>923</b>                                    | <b>52,794</b>                  | <b>213,204</b>                   | <b>370,915</b>          | <b>169,535</b>                           | <b>540,450</b>       |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

|  | Attributable to owners of the Company |                              |                                |                                |                                  |   |   |                                |                                  |                         |  |                      |
|--|---------------------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|---|---|--------------------------------|----------------------------------|-------------------------|--|----------------------|
|  | Share capital<br>RMB million          | Share premium<br>RMB million | Treasury shares<br>RMB million | Capital reserve<br>RMB million | Statutory reserve<br>RMB million | Foreign currency translation reserve<br>RMB million | Investment revaluation reserve<br>RMB million | Perpetual notes<br>RMB million | Retained earnings<br>RMB million | Subtotal<br>RMB million | Non-controlling interests<br>RMB million | Total<br>RMB million |
| <b>At 1 January 2024</b>   | 24,752                                | 52,631                       | (576)                          | 3,565                          | 21,401                           | (958)   | 690   | 49,712                         | 181,169                          | 332,386                 | 127,368                                  | 459,754              |
| Profit for the year  | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | 27,887                           | 27,887                  | 2,871                                    | 30,758               |
| Other comprehensive (expense)/income   | -                                     | -                            | -                              | (86)                           | -                                | (54)  | 279   | -                              | -                                | 139                     | (1)                                      | 138                  |
| <b>Total comprehensive (expense)/income for the year</b>                                       | -                                     | -                            | -                              | (86)                           | -                                | (54)  | 279   | -                              | 27,887                           | 28,026                  | 2,870                                    | 30,896               |
| Repurchase and cancel restricted stock (Note 35)   | (10)                                  | (26)                         | 32                             | -                              | -                                | -   | -   | -                              | 4                                | -                       | -  | -                    |
| Amount recorded in shareholders' equity arising from 2021 Restricted Share Incentive Scheme    | -                                     | -                            | -                              | (28)                           | -                                | -   | -   | -                              | -                                | (28)                    | -  | (28)                 |
| Unlock restricted stock (Note 35)  | -                                     | 142                          | 189                            | (142)                          | -                                | -   | -   | -                              | -                                | 189                     | -  | 189                  |
| Capital contributions from non-controlling shareholders of subsidiaries                        | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | 26,408                                   | 26,408               |
| Transaction with non-controlling interests   | -                                     | (104)                        | -                              | -                              | -                                | -   | -   | -                              | (148)                            | (252)                   | 127                                      | (125)                |
| Acquisition of subsidiaries  | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | 1,106                                    | 1,106                |
| Disposal of subsidiaries   | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | (66)                                     | (66)                 |
| Transfer of fair value losses of equity investment in other comprehensive income upon disposal | -                                     | -                            | -                              | -                              | -                                | -   | 5   | -                              | (5)                              | -                       | -  | -                    |
| Issuance of perpetual notes (Note 37)  | -                                     | -                            | -                              | -                              | -                                | -   | -   | 11,000                         | -                                | 11,000                  | -  | 11,000               |
| Redemption of perpetual notes (Note 37)  | -                                     | (15)                         | -                              | -                              | -                                | -   | -   | (10,091)                       | -                                | (10,106)                | -  | (10,106)             |
| Dividends declared to shareholders   | -                                     | -                            | 22                             | -                              | -                                | -   | -   | -                              | (5,185)                          | (5,163)                 | -  | (5,163)              |
| Dividends declared to non-controlling shareholders of subsidiaries                             | -                                     | -                            | -                              | -                              | -                                | -   | -   | -                              | -                                | -                       | (1,456)                                  | (1,456)              |
| Dividends declared to perpetual notes holders (Note 37)  | -                                     | -                            | -                              | -                              | -                                | -   | -   | (331)                          | (1,157)                          | (1,488)                 | (932)                                    | (2,420)              |
| Transfer to reserves   | -                                     | -                            | -                              | -                              | 1,523                            | -   | -   | -                              | (1,523)                          | -                       | -  | -                    |
| Others   | -                                     | -                            | -                              | 3                              | -                                | -   | -   | -                              | -                                | 3                       | -  | 3                    |
| <b>At 31 December 2024</b>   | 24,742                                | 52,628                       | (333)                          | 3,312                          | 22,924                           | (1,012)   | 974   | 50,290                         | 201,042                          | 354,567                 | 155,425                                  | 509,992              |

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

|   | NOTE | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|------|---|---|
| <b>Operating activities</b>   |      |   |   |
| Cash generated from operations  | 42   | <b>38,561</b>                           | 39,712                                  |
| Income taxes paid   |      | <b>(9,789)</b>                          | (11,661)                                |
| Net cash from operating activities  |      | <b>28,772</b>                           | 28,051                                  |
| <b>Investing activities</b>   |      |   |   |
| Payments for property, plant and equipment                                |      | <b>(16,901)</b>                         | (23,133)                                |
| Proceeds from disposal of property, plant and equipment                   |      | <b>1,396</b>                            | 2,466                                   |
| Payments for lease prepayments  |      | <b>(590)</b>                            | (390)                                   |
| Proceeds from disposal of lease prepayments                               |      | <b>22</b>                               | 7                                       |
| Payments for investment properties  |      | <b>(757)</b>                            | (567)                                   |
| Proceeds from disposal of investment properties                           |      | <b>610</b>                              | 147                                     |
| Payments for intangible assets  |      | <b>(42,025)</b>                         | (32,571)                                |
| Proceeds/(payments) from disposal of intangible assets                    |      | <b>24</b>                               | (2)                                     |
| Payments for mining assets  |      | <b>(13)</b>                             | (1,342)                                 |
| Proceeds/(payments) for acquisition of subsidiaries, net of cash acquired |      | <b>53</b>                               | (322)                                   |
| Net proceeds from disposal of subsidiaries                                |      | <b>625</b>                              | 10                                      |
| Payments for investments in associates                                    |      | <b>(3,118)</b>                          | (7,404)                                 |
| Payments for investments in joint ventures                                |      | <b>(7,582)</b>                          | (1,194)                                 |
| Proceeds from disposal of associates                                      |      | <b>819</b>                              | 1,311                                   |
| Proceeds from disposal of joint ventures                                  |      | <b>4,390</b>                            | 1,568                                   |
| Payments for financial assets at FVTPL                                    |      | <b>(10,323)</b>                         | (13,868)                                |
| Proceeds from disposal of financial assets at FVTPL                       |      | <b>9,168</b>                            | 12,070                                  |
| Payments for financial assets at FVTOCI                                   |      | <b>(1,948)</b>                          | (4,216)                                 |
| Proceeds from disposal of financial assets at FVTOCI                      |      | <b>1,527</b>                            | –                                       |
| Net cash flow in respect of other financial assets at amortised cost      |      | <b>2,663</b>                            | (4,266)                                 |
| Interest received   |      | <b>1,374</b>                            | 828                                     |
| Dividends received  |      | <b>4,067</b>                            | 3,133                                   |
| Decrease of term deposits with initial term of over three months          |      | <b>17,615</b>                           | 5,072                                   |
| Increase of term deposits with initial term of over three months          |      | <b>(6,741)</b>                          | (19,380)                                |
| Other investing cash flows  |      | <b>380</b>                              | (246)                                   |
| <b>Net cash used in investing activities</b>                              |      | <b>(45,265)</b>                         | (82,289)                                |

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2025

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| <b>Financing activities</b>   |   |   |
| Capital contributions from non-controlling shareholders of subsidiaries   | 20,127                                  | 26,408                                  |
| Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries | (139)                                   | (77)                                    |
| Proceeds from debentures  | 20,460                                  | 18,270                                  |
| Repayment of debentures   | (12,470)                                | (16,300)                                |
| Proceeds from issuance of perpetual notes   | 7,500                                   | 11,000                                  |
| Redemption of perpetual notes   | (5,000)                                 | (10,100)                                |
| Proceeds from bank borrowings   | 258,281                                 | 239,489                                 |
| Repayments of bank borrowings   | (223,960)                               | (175,952)                               |
| Proceeds from other borrowings  | 3,553                                   | 2,504                                   |
| Repayment of other borrowings   | (1,134)                                 | (7,634)                                 |
| Interest paid   | (16,419)                                | (16,789)                                |
| Dividends paid to non-controlling shareholders of subsidiaries  | (2,793)                                 | (2,388)                                 |
| Dividends paid to owners of the Company   | (6,418)                                 | (5,185)                                 |
| Dividends paid to holders of perpetual notes  | (1,517)                                 | (1,657)                                 |
| Repayments of lease liabilities   | (5,068)                                 | (2,944)                                 |
| Proceeds from non-controlling interests   | 1,900                                   | 83                                      |
| Repayments of non-controlling interests   | (8,045)                                 | (1,243)                                 |
| Repurchase of shares  | (160)                                   | –                                       |
| Other financing cash flows  | (16)                                    | (90)                                    |
| <b>Net cash from financing activities</b>   | <b>28,682</b>                           | <b>57,395</b>                           |
| <b>Net increase in cash and cash equivalents</b>  | <b>12,189</b>                           | <b>3,157</b>                            |
| Cash and cash equivalents at 1 January  | 199,485                                 | 196,150                                 |
| Effect of foreign exchange rate changes   | (352)                                   | 178                                     |
| <b>Total cash and cash equivalents at 31 December</b>   | <b>211,322</b>                          | <b>199,485</b>                          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 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”) and by the Hong Kong Companies Ordinance.

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

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

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

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

|                      |                         |
|----------------------|-------------------------|
| Amendments to IAS 21 | Lack of Exchangeability |
|----------------------|-------------------------|

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

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

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

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

#### IFRS 18 Presentation and Disclosure in Financial Statements

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB54,919 million. Considering the Group's sources of liquidity and the unutilised bank facilities as at 31 December 2025, 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 consolidated financial statements. Accordingly, these consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

#### 3.2 Material accounting policy information

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Basis of consolidation (Continued)**

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

##### **Changes in the Group's interests in existing subsidiaries**

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Business combinations**

###### *Business combinations*

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Business combinations (Continued)

###### *Business combinations (Continued)*

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 Leases) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Business combinations (Continued)**

###### *Business combinations (Continued)*

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

##### **Merger accounting for business combination involving businesses under common control**

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

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

##### **Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Investments in associates and joint ventures (Continued)**

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Investments in associates and joint ventures (Continued)**

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

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

##### *Changes in the Group's interests in associates and joint ventures*

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Investments in associates and joint ventures (Continued)**

###### *Changes in the Group's interests in associates and joint ventures (Continued)*

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

##### **Revenue from contracts with customers**

Revenue is measured at the transaction price agreed under the contract. Revenue is shown, net of discounts and after eliminating sales within the Group. The Group considers the effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer to determine the transaction price.

Revenues are recognised when or as the control of the asset is transferred to the customer and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

###### *(a) Revenue from infrastructure construction contracts and bridge steel structure manufacturing and installation services*

Revenue from infrastructure construction contracts and bridge steel structure manufacturing and installation services is recognised when or as the constructions projects and bridge steel structure products and related installation services are transferred to the customer. The Group recognises revenue over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation, in an amount that reflects the consideration expected to be entitled and, depending on the nature of the contract, is measured mainly by reference to (a) the proportion of contract costs incurred for work performed to date to estimated total contract costs for each contract; (b) the amount of work certified by site engineers; or (c) completion of physical proportion of the contract work.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Revenue from contracts with customers (Continued)

###### (b) *Services rendered*

Revenue for services rendered including surveying, design, consulting, research and development, feasibility study, compliance certification services with respect to infrastructure projects, is recognised over the period of services by reference to (a) the proportion of contract costs incurred for work performed to date to estimated total contract costs for each contract; (b) stage of completion of the specific transactions and when it is probable that the economic benefits associated with the transaction will flow to the entity.

For (a) and (b) above, estimates of total contract revenue, total contract costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated total contract revenue or total contract costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings to customers is recognised as contract assets. The excess of cumulative billings to customers over the cumulative revenue recognised in profit or loss is recognised as contract liabilities.

###### (c) *Revenue from properties development*

Revenue from sale of properties is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

Some of the Group's primary land development recognised revenue over time, and the progress of implementation is based on the proportion of the cost incurred over the budgeted cost by the end of the reporting period. Some recognised revenue at a point in time.

###### (d) *Sales of goods*

Sales of goods are recognised when an entity has transferred the products to the customer, and the customer has obtained control of the products.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Revenue from contracts with customers (Continued)

(e) *Recognition of revenue from infrastructure investment projects*

infrastructure investment project contracts refers to the contract established by the Group and the government for infrastructure investment project cooperation in accordance with laws and regulations, and the contract shall meet the following features at the same time (hereinafter referred to as “double features”):

- (1) The Group provides public products and services on behalf of the government by using infrastructure investment project assets during the contractually agreed operation period;
- (2) The Group is compensated for the public goods and services it provides for the period agreed in the contract.

The following conditions shall be met at the same time (hereinafter referred to as “double controls”):

- (1) The government controls or regulates the type, object and price of public goods and services that the Group must provide in the use of infrastructure investment project assets;
- (2) When the infrastructure investment project contract is terminated, the government party controls the significant residual interests of the infrastructure investment project assets through ownership, income rights or other forms of control.

The Group provides multiple service base on infrastructure investment contract, recognises revenues and costs of construction service in accordance with construction contract. Revenue from construction service is measured by consideration collected or entitled to charge and recognise contract assets at the same time.

In accordance with the infrastructure investment contract, during the operation of infrastructure investment project, the Group is entitled to collect cash flows from parties who received public products and services with uncertain amount, and such right doesn't constitute an unconditional right to collect cash. The Group should recognise the consideration or the revenue recognised from construction activity of infrastructure investment project assets as intangible assets.

In accordance with the infrastructure investment contract, during the operation of infrastructure investment project, the Group, entitled to collect certain cash flows (or other financial assets), should recognise revenue and receivables simultaneously when the Group has the right to collect such consideration (a right is only determined by the passage of time).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Borrowing costs (Continued)**

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

##### **Employee benefits**

###### *Retirement benefit costs*

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Employee benefits (Continued)

###### *Retirement benefit costs (Continued)*

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest on the net defined benefit liability or asset; and
- remeasurement of the net defined benefit liability or asset in other comprehensive income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

###### *Termination benefits*

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

###### *Short-term employee benefits*

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Share-based payments

###### *Equity-settled share-based payment transactions*

Share awards granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve which included in capital reserve in the consolidated statements of changes in equity.

When share awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share capital/share premium.

##### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Taxation (Continued)**

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

##### **Property, plant and equipment**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Property, plant and equipment (Continued)**

Buildings, machinery and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### **Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Intangible assets

###### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised using traffic flow method or straight-line method under the intangible asset model over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

###### Service concession arrangements

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognises an intangible asset at fair value upon initial recognition. The intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised using traffic flow method or straight-line method under the intangible asset model. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

###### *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Intangible assets (Continued)**

##### *Internally-generated intangible assets – research and development expenditure (Continued)*

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

##### **Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than Goodwill**

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

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than Goodwill (Continued)**

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### **Cash and cash equivalents**

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Cash and cash equivalents (Continued)**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on the first-in-first-out, weighted average or specific identification method for inventories with a different nature or use. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

##### *Properties under development/properties for sale*

Properties under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Properties under development/properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties under development for sale are transferred to properties for sale upon completion.

##### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Contingent liabilities**

###### *Contingent liabilities*

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

##### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost on initial recognition.

##### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

##### *Financial assets (Continued)*

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

##### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial assets (Continued)*

Classification and subsequent measurement of financial assets (Continued)

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. All other changes in the carrying amount of these debt instruments/receivables are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

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

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

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the other gains and losses line item in profit or loss. Dividends and interests are included in the other income line item.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including financial assets at amortised cost, financial assets at FVTOCI, lease receivables, contract assets and financial guarantee contracts) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

##### (ii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

##### (iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iv) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments/receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt instruments/receivables. Such amount represents the changes in the investment revaluation reserve in relation to accumulated loss allowance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial assets (Continued)*

###### Asset securitisation

The Group has securitised a portion of receivables (“underlying assets”) where underlying assets are sold and transferred to a special purpose entity (“SPE”). The SPE issues senior and subordinate assets-backed securities to investors. The Group acts as an asset service provider to provide services such as asset management and collection, contract revision and other services. The cash received from the underlying assets during the periods of collection, after paying SPE taxation and relevant fees, will be firstly used to repay the principal and interests of the senior assets-backed securities; the remaining cash after paying the principal and interests in full is treated as income from subordinate assets-backed securities.

When determining whether the securitisation of underlying assets constitutes a transfer of financial assets, if the Group retains the contractual right to receive cash flows from financial assets but assumes the contractual obligation to pay the received cash flows to one or more ultimate recipients, the securitisation of underlying assets meets the conditions for a transfer of financial assets only if the following three conditions are satisfied simultaneously: the Group is obliged to pay the ultimate recipient only when it receives the equivalent cash flows from the financial assets; the transfer contract prohibits the Group from selling or mortgaging the financial assets, but the Group may use it as a guarantee of its obligation to pay cash flows to the ultimate recipient; the Group is obligated to promptly transfer all cash flows received on behalf of the ultimate recipient to the ultimate recipient without significant delay.

When applying the accounting policy of securitisation of financial assets, the Group has already taken into account the extent of transfer of the risks and rewards of those assets transferred to the other entity, as well as the extent of control over such entity by the Group:

- (1) When the Group has transferred substantially all the risks and rewards of ownership of a financial asset, it shall derecognise the relevant financial asset;
- (2) When the Group has retained substantially all the risks and rewards of ownership of a financial asset, it shall continue to recognise the relevant financial asset;
- (3) When the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset transferred. If the Group has not retained control, it shall derecognise the financial asset and recognise the rights retained or obligations arising from the transfer as an asset or a liability respectively. If the Group has retained control, it shall recognise the financial asset to the extent of its continuing involvement in the transferred financial asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial assets (Continued)*

###### Asset securitisation (Continued)

The Group securitises part of the construction quality assurance deposits, sells and transfers the construction quality assurance deposits to the SPE on the condition that the performance obligations related to the project construction have been completed and the contractor has committed to complete the performance obligations related to defect liability, with reference to the application of the above-mentioned securitised financial asset accounting policy.

###### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument/receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

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

###### *Financial liabilities and equity*

###### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.2 Material accounting policy information (Continued)

##### Financial instruments (Continued)

###### *Financial liabilities and equity (Continued)*

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

###### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

###### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

###### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

###### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Determination of control over structured entities

The Group invested in several structured entities which were mainly engaged in infrastructure investment activities or acted as manager to a number of structured entities and also carries interests in these entities. Determining whether the Group controls these structured entities usually focuses on the assessment of the power of the Group, its variable returns (including but not limited to any carried interests and commission income or management fees earned) and the ability to exercise its power to influence the variable returns from these structured entities.

Management considers a number of factors to assess if the Group has control over these structured entities, including the Group acts as a principal or an agent through analysis of the scope of the decision-making authority of the Group, its remuneration entitlement, other interests the Group held, and the rights held by other parties. Based on the assessment following the accounting policies set out in Note 3.2, the Group consolidates certain structured entities that it has control, accounts for as joint ventures or associates when it has joint control or significant influence over the structured entities. For those that the Group has neither control, joint control nor significant influence, the Group accounts for as financial assets. Judgement is involved when performing the assessment. Should those joint ventures, associates and financial assets be consolidated, net assets, revenue and profit of the Group could be affected.

Further disclosure in respect of unconsolidated structured entities in which the Group has an interest has been set out in Note 22(d).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Key sources of estimation uncertainty

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

#### Revenue and cost recognition from infrastructure construction contracts

Revenue from infrastructure construction contracts is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, depending on the nature of the contract, is measured mainly by reference to the proportion of contract costs incurred for work performed to date to estimated total contract costs for each contract. Management estimates the total contract revenue and total contract costs at the inception of each contract. As the contract progresses, management regularly reviews and revises the estimates of contract revenue and contract costs if circumstances change, such as variations in contract work, claims and incentive payments. The increases or decreases in estimated total contract revenue or total contract costs resulted in the adjustments to the extent of progress toward completion and revenue recognised in the period in which the circumstances that give rise to the revision becomes known by management.

#### Expected credit losses of trade receivables and contract assets

The Group recognises lifetime expected credit losses for trade receivables and contract assets. For trade receivables and contract assets which are impaired, the Group assesses individually and provides for credit losses allowance. For other trade receivables and contract assets, they are grouped by reference to the credit risk characteristics and assessed for credit losses allowance through exposure at default and the lifetime expected credit loss rates. When measuring expected credit loss, the Group considers its own credit loss incurred in the past and adjusts by taking into consideration current conditions and forward-looking information.

#### Expected credit losses of debt investments at amortised cost and FVTOCI

The Group assesses on a forward looking basis the expected credit losses associated with its debt investments at amortised cost and FVTOCI using the risk parameters including exposure at default and expected credit loss rate, which is determined based on probabilities of default and default rates. When measuring expected credit loss, the Group considers its own credit loss incurred in the past, and adjusts by taking into consideration current conditions and forward looking factors.

In assessing forward-looking information, the Group adopted the method consistent with expected credit losses of trade receivables and contract assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Key sources of estimation uncertainty (Continued)

##### Expected credit losses of debt investments at amortised cost and FVTOCI (Continued)

To assess whether there is a significant increase in credit risks the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- past due information
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- internal and external credit rating
- actual or expected significant changes in the operating results of the borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

##### Impairment of properties under development/properties for sale

The Group measures properties under development/properties for sale at the lower of cost and net realisable value on the balance sheet date. The net realisable value calculation requires the use of assumptions and estimates on the selling price and the costs and expenses that will be incurred until completion. Where the expectation is different from the original estimate, such differences will have an impact on the net realisable value calculation and the provision for inventory impairment in the periods in which such estimate is changed.

##### Fair value of financial instruments

The fair value of financial instruments that are traded in an active market is measured at quoted price. If the market for a financial instrument is not active, the Group determines fair value by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each end of the reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 46(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Key sources of estimation uncertainty (Continued)

##### Income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the period in which such determination are made.

Certain subsidiaries of the Group are qualified as high-tech enterprises and are entitled to the preferential income tax rate of 15%. The qualification is valid for 3 years, and upon expiry the subsidiaries are required to submit the application to relevant government authorities to certify the high-tech qualification. If the subsidiaries disqualified from the high-tech certification, they cannot enjoy the preferential income tax, and the change in tax rate will affect the current and deferred income taxes in the period in which the change takes place.

Deferred income tax assets relating to tax losses are recognised as management considers it is probable that future taxable profit will be available against which the tax losses can be utilised. Future taxable profit includes the profit from operating results and taxable profits of future periods reversed of taxable temporary differences. Estimates and judgement are required in determining the timing and amount of future taxable profit generated. In case where the actual future taxable profit generated are less than expected, or change in facts and circumstances which result in revision of future taxable profit estimation, a material reversal or further recognition of deferred tax assets may arise, which will be recognised in the consolidated income statement in the period in which such a reversal or further recognition takes place.

##### Amortisation of service concession arrangements in relation to toll highways

Amortisation of service concession arrangements in relation to the toll highways operations are calculated to write off their cost, over their expected useful lives or the remaining concession period, whichever is the shorter, commencing from the date of commencement of commercial operation of the toll highways, based on a units-of-usage basis, which is the ratio of actual traffic volume compared to the total expected traffic volume of the toll highways as estimated by the management or by reference to traffic projection reports prepared by independent traffic consultants. Appropriate adjustment will be made should there be any material change.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS

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

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

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

Revenue between segments is carried out at actual transaction prices.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS (Continued)

#### Segment revenues and results

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

|   | For the year ended 31 December 2025 |                          |                            |                         |                     |                 |                  |
|---|-------------------------------------|--------------------------|----------------------------|-------------------------|---------------------|-----------------|------------------|
|   | Infrastructure<br>construction      | Design and<br>consulting | Equipment<br>manufacturing | Property<br>development | Other<br>businesses | Eliminations    | Total            |
|   | RMB million                         | RMB million              | RMB million                | RMB million             | RMB million         | RMB million     | RMB million      |
| External revenue  | 925,351                             | 16,875                   | 27,615                     | 44,647                  | 68,546              | -               | 1,083,034        |
| Inter-segment revenue   | 17,058                              | 906                      | 5,553                      | -                       | 24,149              | (47,666)        | -                |
| Other revenue   | 6,386                               | 428                      | 847                        | 675                     | 2,124               | -               | 10,460           |
| Inter-segment other<br>revenue  | 1,296                               | -                        | -                          | -                       | 838                 | (2,134)         | -                |
| <b>Segment revenue</b>  | <b>950,091</b>                      | <b>18,209</b>            | <b>34,015</b>              | <b>45,322</b>           | <b>95,657</b>       | <b>(49,800)</b> | <b>1,093,494</b> |
| <b>Segment results</b>  |                                     |                          |                            |                         |                     |                 |                  |
| Profit (loss) before tax  | 31,435                              | 1,613                    | 1,851                      | (2,671)                 | 5,074               | (3,762)         | 33,540           |
| Segment results included:   |                                     |                          |                            |                         |                     |                 |                  |
| Share of post-tax (losses)/<br>profits of joint ventures              | (312)                               | -                        | 25                         | (1)                     | 44                  | -               | (244)            |
| Share of post-tax profits/<br>(losses) of associates                  | 697                                 | (39)                     | 5                          | 46                      | 2,569               | -               | 3,278            |
| Interest income   | 1,647                               | 115                      | 52                         | 124                     | 5,324               | (847)           | 6,415            |
| Interest expenses   | (6,477)                             | (46)                     | (116)                      | (2,175)                 | (7,024)             | 2,757           | (13,081)         |
| Losses from derecognition<br>of financial assets at<br>amortised cost | (4,282)                             | (14)                     | (62)                       | -                       | (35)                | -               | (4,393)          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. OPERATING SEGMENTS (Continued)

## Segment revenues and results (Continued)

|   | For the year ended 31 December 2024        |                                      |  |                                     |                                 |                             |                      |
|---|--|--------------------------------------|--|-------------------------------------|---------------------------------|-----------------------------|----------------------|
|   | Infrastructure construction<br>RMB million | Design and consulting<br>RMB million | Equipment manufacturing<br>RMB million | Property development<br>RMB million | Other businesses<br>RMB million | Eliminations<br>RMB million | Total<br>RMB million |
| External revenue  | 992,854                                    | 17,418                               | 24,813                                 | 48,280                              | 66,837                          | –                           | 1,150,202            |
| Inter-segment revenue   | 22,365                                     | 790                                  | 9,419                                  | –                                   | 31,000                          | (63,574)                    | –                    |
| Other revenue   | 4,121                                      | 315                                  | 1,666                                  | 590                                 | 3,417                           | –                           | 10,109               |
| Inter-segment other revenue                                     | 1,193                                      | –                                    | –                                      | –                                   | 955                             | (2,148)                     | –                    |
| <b>Segment revenue</b>  | <b>1,020,533</b>                           | <b>18,523</b>                        | <b>35,898</b>                          | <b>48,870</b>                       | <b>102,209</b>                  | <b>(65,722)</b>             | <b>1,160,311</b>     |
| <b>Segment results</b>  |  |                                      |  |                                     |                                 |                             |                      |
| Profit (loss) before tax  | 34,439                                     | 1,460                                | 1,974                                  | (2,402)                             | 7,084                           | (3,684)                     | 38,871               |
| Segment results included:                                       |  |                                      |  |                                     |                                 |                             |                      |
| Share of post-tax (losses)/ profits of joint ventures           | (522)                                      | –                                    | 43                                     | (67)                                | (161)                           | (17)                        | (724)                |
| Share of post-tax profits/ (losses) of associates               | 1,094                                      | 7                                    | 30                                     | (31)                                | 2,228                           | (194)                       | 3,134                |
| Interest income   | 1,946                                      | 111                                  | 85                                     | 171                                 | 6,500                           | (938)                       | 7,875                |
| Interest expenses   | (5,473)                                    | (43)                                 | (98)                                   | (1,605)                             | (8,074)                         | 2,750                       | (12,543)             |
| Losses from derecognition of financial assets at amortised cost | (4,912)                                    | (39)                                 | (83)                                   | –                                   | (111)                           | –                           | (5,145)              |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS (Continued)

#### Segment revenues and results (Continued)

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

|  | Year ended                |                           |
|--|---------------------------|---------------------------|
|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
| (i) Segment interest expenses, before inter-segment elimination    | <b>15,838</b>             | 15,293                    |
| Inter-segment elimination  | <b>(2,757)</b>            | (2,750)                   |
| Reconciling item:  |                           |                           |
| Imputed interest expenses on retention payables ( <i>Note 10</i> ) | <b>1,015</b>              | 271                       |
| Total consolidated finance costs, as reported                      | <b>14,096</b>             | 12,814                    |
| (ii) Segment results, before inter-segment elimination             | <b>37,302</b>             | 42,555                    |
| Inter-segment elimination  | <b>(3,762)</b>            | (3,684)                   |
|  | <b>33,540</b>             | 38,871                    |
| Reconciling item:  |                           |                           |
| Land appreciation tax("LAT") (a) ( <i>Note 11</i> )                | <b>911</b>                | 1,742                     |
| Total consolidated profit before income tax, as reported           | <b>34,451</b>             | 40,613                    |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS (Continued)

#### Segment revenues and results (Continued)

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS (Continued)

#### Segment revenues and results (Continued)

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

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

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. OPERATING SEGMENTS (Continued)

## Other segment information

|  | For the year ended 31 December 2025           |   |   |  |                                    |                      |
|--|---|---|---|--|------------------------------------|----------------------|
|  | Infrastructure<br>Construction<br>RMB million | Design and<br>consulting<br>RMB million | Equipment<br>manufacturing<br>RMB million | Property<br>development<br>RMB million | Other<br>businesses<br>RMB million | Total<br>RMB million |
| Capital expenditure:   |   |   |   |  |                                    |                      |
| Property, plant and equipment  | 14,496  | 204                                     | 1,579                                     | 308                                    | 3,949                              | 20,536               |
| Investment properties  | 353   | 1                                       | –   | 276                                    | 81                                 | 711                  |
| Intangible assets  | 35,385  | 26                                      | 479                                       | 4                                      | 10,904                             | 46,798               |
| Mining assets  | –   | –                                       | –   | –                                      | 12                                 | 12                   |
| Right-of-use assets  | 5,287   | 63                                      | 204                                       | 37                                     | 1,019                              | 6,610                |
| <b>Total</b>   | <b>55,521</b>                                 | <b>294</b>                              | <b>2,262</b>                              | <b>625</b>                             | <b>15,965</b>                      | <b>74,667</b>        |
| Depreciation and amortisation:   |   |   |   |  |                                    |                      |
| Property, plant and equipment  | 6,173   | 286                                     | 1,212                                     | 370                                    | 2,712                              | 10,753               |
| Investment properties  | 176   | 20                                      | 18  | 400                                    | 153                                | 767                  |
| Intangible assets  | 382   | 27                                      | 63  | 7                                      | 2,277                              | 2,756                |
| Mining assets  | 54  | –                                       | –   | –                                      | 163                                | 217                  |
| Right-of-use assets  | 4,919   | 67                                      | 131                                       | 127                                    | 426                                | 5,670                |
| Other prepayments  | 71  | 8                                       | 16  | 9                                      | 68                                 | 172                  |
| <b>Total</b>   | <b>11,775</b>                                 | <b>408</b>                              | <b>1,440</b>                              | <b>913</b>                             | <b>5,799</b>                       | <b>20,335</b>        |
| (Gains)/losses on disposal and/or<br>write-off of property, plant and<br>equipment                                 | (21)  | 1                                       | (3)                                       | 1                                      | 14                                 | (8)                  |
| Gain on disposal of others   | (124)   | –                                       | (1)                                       | –                                      | –                                  | (125)                |
| Increase in foreseeable losses on<br>contracts   | 750   | –                                       | –   | –                                      | –                                  | 750                  |
| Impairment loss/(reversal of<br>impairment) on trade and other<br>receivables                                      | 3,741   | (103)                                   | (23)                                      | 290                                    | (52)                               | 3,853                |
| Impairment loss/(reversal of<br>impairment) on other financial<br>assets at amortised cost                         | 189   | (14)                                    | –   | 56                                     | 416                                | 647                  |
| Impairment loss on contract assets   | 1,844   | 6                                       | 10  | 60                                     | 9                                  | 1,929                |
| Impairment loss on property, plant<br>and equipment  | 66  | –                                       | 1   | –                                      | 7                                  | 74                   |
| Impairment loss on investment<br>properties  | –   | 10                                      | –   | 105                                    | 16                                 | 131                  |
| Impairment loss on intangible<br>assets  | 28  | –                                       | 16  | –                                      | –                                  | 44                   |
| Impairment loss on goodwill  | 125   | –                                       | –   | 80                                     | 7                                  | 212                  |
| Impairment (gain)/loss on<br>inventories, properties under<br>development for sale and<br>properties held for sale | (24)  | –                                       | 3   | 1,616                                  | 9                                  | 1,604                |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS (Continued)

#### Other segment information (Continued)

|   | For the year ended 31 December 2024           |   |   |  |                                    |                      |
|---|---|---|---|--|------------------------------------|----------------------|
|   | Infrastructure<br>Construction<br>RMB million | Design and<br>consulting<br>RMB million | Equipment<br>manufacturing<br>RMB million | Property<br>development<br>RMB million | Other<br>businesses<br>RMB million | Total<br>RMB million |
| Capital expenditure:  |   |   |   |  |                                    |                      |
| Property, plant and equipment   | 17,898  | 252                                     | 1,452                                     | 750                                    | 3,163                              | 23,515               |
| Investment properties   | 32  | –                                       | –   | 311                                    | 224                                | 567                  |
| Intangible assets   | 14,092  | 33                                      | 62  | 9                                      | 22,897                             | 37,093               |
| Mining assets   | 2   | –                                       | –   | –                                      | 4,640                              | 4,642                |
| Right-of-use assets   | 4,492   | 43                                      | 134                                       | 246                                    | 305                                | 5,220                |
| <b>Total</b>  | <b>36,516</b>                                 | <b>328</b>                              | <b>1,648</b>                              | <b>1,316</b>                           | <b>31,229</b>                      | <b>71,037</b>        |
| Depreciation and amortisation:  |   |   |   |  |                                    |                      |
| Property, plant and equipment   | 6,078   | 305                                     | 739                                       | 320                                    | 2,476                              | 9,918                |
| Investment properties   | 189   | 41                                      | 15  | 284                                    | 130                                | 659                  |
| Intangible assets   | 334   | 29                                      | 53  | 15                                     | 1,203                              | 1,634                |
| Mining assets   | 55  | –                                       | –   | –                                      | 100                                | 155                  |
| Right-of-use assets   | 2,376   | 56                                      | 149                                       | 112                                    | 261                                | 2,954                |
| Other prepayments   | 43  | 5                                       | 14  | 6                                      | 119                                | 187                  |
| <b>Total</b>  | <b>9,075</b>                                  | <b>436</b>                              | <b>970</b>                                | <b>737</b>                             | <b>4,289</b>                       | <b>15,507</b>        |
| (Gains)/losses on disposal and/or<br>write-off of property, plant and<br>equipment                          | (257)   | 1                                       | 1   | –                                      | 32                                 | (223)                |
| Gain on disposal of others  | –   | –                                       | –   | (245)                                  | –                                  | (245)                |
| Increase in foreseeable losses on<br>contracts  | 216   | –                                       | –   | –                                      | –                                  | 216                  |
| Impairment loss/(reversal of<br>impairment) on trade and other<br>receivables                               | 2,938   | 151                                     | 84  | 1,185                                  | (178)                              | 4,180                |
| Impairment loss/(reversal of<br>impairment) on other financial<br>assets at amortised cost                  | 274   | (10)                                    | –   | 31                                     | 553                                | 848                  |
| Impairment loss/(gain) on contract<br>assets  | 1,707   | 6                                       | 12  | (16)                                   | 61                                 | 1,770                |
| Impairment loss on property, plant<br>and equipment   | –   | 23                                      | 2   | 33                                     | 6                                  | 64                   |
| Impairment loss on investment<br>properties   | 38  | –                                       | –   | –                                      | –                                  | 38                   |
| Impairment loss on goodwill   | 199   | –                                       | –   | –                                      | –                                  | 199                  |
| Impairment loss on mining assets  | 22  | –                                       | –   | –                                      | –                                  | 22                   |
| Impairment loss on inventories,<br>properties under development<br>for sale and properties held<br>for sale | 32  | –                                       | 2   | 1,237                                  | 3                                  | 1,274                |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. OPERATING SEGMENTS (Continued)

## Other segment information (Continued)

## Disaggregation of revenue from contracts with customers

| Type of services and products         | For the year ended 31 December 2025 |                       |                         |                      |                  |                  |
|---------------------------------------|-------------------------------------|-----------------------|-------------------------|----------------------|------------------|------------------|
|                                       | Infrastructure construction         | Design and consulting | Equipment manufacturing | Property development | Other businesses | Total            |
|                                       | RMB million                         | RMB million           | RMB million             | RMB million          | RMB million      | RMB million      |
| Infrastructure construction contracts | 925,351                             | -                     | -                       | -                    | -                | 925,351          |
| Manufacturing and sales of equipment  | -                                   | -                     | 27,615                  | -                    | -                | 27,615           |
| Rendering of services                 | -                                   | 16,875                | -                       | -                    | 9,576            | 26,451           |
| Sales of properties                   | -                                   | -                     | -                       | 44,647               | -                | 44,647           |
| Sales of goods and others             | 6,386                               | 428                   | 847                     | 675                  | 61,094           | 69,430           |
| <b>Total revenue</b>                  | <b>931,737</b>                      | <b>17,303</b>         | <b>28,462</b>           | <b>45,322</b>        | <b>70,670</b>    | <b>1,093,494</b> |
| Timing of revenue recognition:        |                                     |                       |                         |                      |                  |                  |
| – At a point of time                  | 6,386                               | 428                   | 18,284                  | 43,854               | 68,055           | 137,007          |
| – Over time                           | 925,351                             | 16,875                | 9,974                   | 1,468                | -                | 953,668          |
| Revenue from contracts with customers | 931,737                             | 17,303                | 28,258                  | 45,322               | 68,055           | 1,090,675        |
| Rental income                         | -                                   | -                     | 204                     | -                    | 2,615            | 2,819            |
| <b>Total revenue</b>                  | <b>931,737</b>                      | <b>17,303</b>         | <b>28,462</b>           | <b>45,322</b>        | <b>70,670</b>    | <b>1,093,494</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5. OPERATING SEGMENTS (Continued)

#### Other segment information (Continued)

#### Disaggregation of revenue from contracts with customers (Continued)

| Type of services and products         | For the year ended 31 December 2024 |                       |                         |                      |                  |                  |
|---------------------------------------|-------------------------------------|-----------------------|-------------------------|----------------------|------------------|------------------|
|                                       | Infrastructure construction         | Design and consulting | Equipment manufacturing | Property development | Other businesses | Total            |
|                                       | RMB million                         | RMB million           | RMB million             | RMB million          | RMB million      | RMB million      |
| Infrastructure construction contracts | 992,854                             | –                     | –                       | –                    | –                | 992,854          |
| Manufacturing and sales of equipment  | –                                   | –                     | 24,813                  | –                    | –                | 24,813           |
| Rendering of services                 | –                                   | 17,418                | –                       | –                    | 6,595            | 24,013           |
| Sales of properties                   | –                                   | –                     | –                       | 48,280               | –                | 48,280           |
| Sales of goods and others             | 4,121                               | 315                   | 1,666                   | 590                  | 63,659           | 70,351           |
| <b>Total revenue</b>                  | <b>996,975</b>                      | <b>17,733</b>         | <b>26,479</b>           | <b>48,870</b>        | <b>70,254</b>    | <b>1,160,311</b> |
| Timing of revenue recognition:        |                                     |                       |                         |                      |                  |                  |
| – At a point of time                  | 4,122                               | 315                   | 15,918                  | 47,250               | 67,673           | 135,278          |
| – Over time                           | 992,853                             | 17,418                | 10,385                  | 1,620                | –                | 1,022,276        |
| Revenue from contracts with customers | 996,975                             | 17,733                | 26,303                  | 48,870               | 67,673           | 1,157,554        |
| Rental income                         | –                                   | –                     | 176                     | –                    | 2,581            | 2,757            |
| <b>Total revenue</b>                  | <b>996,975</b>                      | <b>17,733</b>         | <b>26,479</b>           | <b>48,870</b>        | <b>70,254</b>    | <b>1,160,311</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. OPERATING SEGMENTS (Continued)

## Other segment information (Continued)

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 6. OTHER INCOME AND EXPENSES

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 7. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

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

## 8. OTHER GAINS AND LOSSES, NET

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 9. LOSSES FROM DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST

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

### 10. FINANCE INCOME AND COSTS

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Finance income from:   |   |   |
| Trade receivables and contract assets                              | 5,295                                   | 6,247                                   |
| Cash and cash equivalents and restricted cash                      | 1,120                                   | 1,628                                   |
|  | <b>6,415</b>                            | 7,875                                   |
| Interest expenses on:  |   |   |
| Bank borrowings  | 13,053                                  | 13,121                                  |
| Long-term debentures   | 1,800                                   | 1,585                                   |
| Other long-term borrowings   | 700                                     | 1,277                                   |
| Other short-term borrowings  | 70                                      | 850                                     |
|  | <b>15,623</b>                           | 16,833                                  |
| Total borrowing costs  | <b>(4,057)</b>                          | (5,592)                                 |
|  | <b>11,566</b>                           | 11,241                                  |
| Lease interest expenses (Note 18)                                  | 190                                     | 223                                     |
| Imputed interest expenses on retention payables                    | 1,015                                   | 271                                     |
| Imputed interest expenses on defined benefit obligations (Note 40) | 25                                      | 48                                      |
| Others   | 1,300                                   | 1,031                                   |
|  | <b>14,096</b>                           | 12,814                                  |
| Total finance costs  | <b>14,096</b>                           | 12,814                                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 10. FINANCE INCOME AND COSTS (Continued)

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 RMB4,057 million (2024: RMB5,592 million) were capitalised in the year ended 31 December 2025, of which approximately RMB1,897 million was charged to properties under development for sale, approximately RMB715 million was included in cost of property, plant and equipment and approximately RMB1,445 million was included in the cost of intangible assets (2024: approximately RMB3,005 million was charged to properties under development for sale, approximately RMB687 million was included in cost of property, plant and equipment and approximately RMB1,900 million was included in the cost of intangible assets). In 2025, a general capitalisation rate of 2.05%-4.80% per annum (2024: 2.27%-5.10%) was used, representing the costs of the borrowings used to finance the qualifying assets.

### 11. INCOME TAX EXPENSE

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 11. INCOME TAX EXPENSE (Continued)

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 12. 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:

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| Employee benefit expenses & subcontracting costs        | 455,318                                 | 494,457                                 |
| Raw materials and consumables used                      | 383,855                                 | 402,689                                 |
| Equipment usage costs                                   | 43,853                                  | 44,478                                  |
| Cost of property development                            | 39,412                                  | 41,309                                  |
| Cost of production safety                               | 23,604                                  | 24,850                                  |
| Depreciation of property, plant and equipment (Note 17) | 10,753                                  | 9,918                                   |
| Taxes and surcharges                                    | 4,494                                   | 4,301                                   |
| Transportation costs                                    | 2,385                                   | 2,554                                   |
| Amortisation of intangible assets (Note 20)             | 2,756                                   | 1,634                                   |
| Advertising and publication costs                       | 1,081                                   | 1,680                                   |
| Depreciation of right-of-use assets (Note 18)           | 5,670                                   | 2,954                                   |
| Depreciation of investment properties (Note 19)         | 767                                     | 659                                     |
| Amortization of other prepayments                       | 172                                     | 187                                     |
| Amortisation of mining assets (Note 21)                 | 217                                     | 155                                     |
| Auditors' remuneration                                  | 29                                      | 28                                      |

### 13. EMPLOYEE BENEFIT EXPENSES

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Salaries, wages and bonuses                    | 54,839                                  | 56,852                                  |
| Welfare, medical and other expenses            | 23,005                                  | 23,541                                  |
| Pension costs – defined contribution plans (i) | 9,337                                   | 10,000                                  |
| Housing benefits                               | 5,455                                   | 5,764                                   |
| Share-based payment                            | 4                                       | (27)                                    |
|  | <b>92,640</b>                           | <b>96,130</b>                           |

- (i) The Group did not have any forfeited contribution for the year ended 31 December 2025 in connection with the defined contribution plan operated by local governments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 14. DIVIDENDS

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 15. EARNINGS PER SHARE

## (a) Basic

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 15. EARNINGS PER SHARE (Continued)

#### (b) Diluted

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

Diluted earnings per share are calculated as follows:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 16. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND EMPLOYEES

## a. Directors', chief executive and supervisors' emoluments

|   | Year ended<br>31/12/2025<br>RMB'000 | Year ended<br>31/12/2024<br>RMB'000 |
|---|-------------------------------------|-------------------------------------|
| Directors, chief executive and supervisors                |                                     |                                     |
| – Basis salaries, housing allowances and other allowances | <b>1,794</b>                        | 3,224                               |
| – Fees  | <b>220</b>                          | 213                                 |
| – Contributions to pension plans                          | <b>260</b>                          | 462                                 |
| – Discretionary bonuses ( <i>note</i> )                   | <b>5,471</b>                        | 3,684                               |
|   | <b>7,745</b>                        | 7,583                               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 16. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND EMPLOYEES (Continued)

#### a. Directors', chief executive and supervisors' emoluments (Continued)

The emoluments of every director and supervisor for the year ended 31 December 2025 are set out below:

| Name  | Basis salaries,<br>housing<br>allowances<br>and other<br>allowances<br>RMB'000 | Fees<br>RMB'000 | Contributions<br>to pension<br>plans<br>RMB'000 | Discretionary<br>bonuses<br>RMB'000<br><i>(note)</i> | Total<br>RMB'000 |
|---|--|-----------------|---|--|------------------|
| <b>Executive directors</b>                    |  |                 |   |  |                  |
| Chen Yun (Retired on<br>12 March 2025)        | 77   | -               | 11  | 1,125  | 1,213            |
| Chen Wenjian                                  | 423  | -               | 68  | 1,333  | 1,824            |
| Wang Shiqi (Retired on<br>2 March 2026)       | 407  | -               | 68  | 1,173  | 1,648            |
| <b>Independent directors</b>                  |  |                 |   |  |                  |
| Xiu Long                                      | -  | 80              | -   | -  | 80               |
| Tu Haiming                                    | -  | 80              | -   | 61   | 141              |
| Sun Lishi                                     | -  | 60              | -   | -  | 60               |
| <b>Non-executive directors</b>                |  |                 |   |  |                  |
| Wen Limin                                     | -  | -               | -   | -  | -                |
| Fang Xiaobing (Appointed on<br>20 June 2025)  | -  | -               | -   | -  | -                |
| <b>Directors' remunerations</b>               | <b>907</b>   | <b>220</b>      | <b>147</b>                                      | <b>3,692</b>   | <b>4,966</b>     |
| <b>Supervisors</b>                            |  |                 |   |  |                  |
| Jia Huiping (Resigned on<br>28 February 2025) | 68   | -               | 11  | 947  | 1,026            |
| Li Xiaosheng                                  | 274  | -               | 34  | 232  | 540              |
| Wang Xinhua                                   | 272  | -               | 34  | 323  | 629              |
| Wan Ming                                      | 273  | -               | 34  | 277  | 584              |
| <b>Supervisors' remunerations</b>             | <b>887</b>   | <b>-</b>        | <b>113</b>                                      | <b>1,779</b>   | <b>2,779</b>     |
| <b>Total</b>                                  | <b>1,794</b>   | <b>220</b>      | <b>260</b>                                      | <b>5,471</b>   | <b>7,745</b>     |

The Company abolished the Supervisory Committee on 20 June 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 16. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND EMPLOYEES (Continued)

## a. Directors', chief executive and supervisors' emoluments (Continued)

The emoluments of every director and supervisor for the year ended 31 December 2024 are set out below:

| Name   | Basis salaries,<br>housing<br>allowances<br>and other<br>allowances<br>RMB'000 | Fees<br>RMB'000 | Contributions<br>to pension<br>plans<br>RMB'000 | Discretionary<br>bonuses<br>RMB'000<br>(note) | Total<br>RMB'000 |
|--|--|-----------------|---|---|------------------|
| <b>Executive directors</b>                                 |  |                 |   |   |                  |
| Chen Yun   | 416  | –               | 66  | 598   | 1,080            |
| Chen Wenjian   | 413  | –               | 66  | 598   | 1,077            |
| Wang Shiqi   | 391  | –               | 66  | 538   | 995              |
| <b>Independent directors</b>                               |  |                 |   |   |                  |
| Chung Shui Ming Timpson<br>(Resigned on 20<br>August 2024) | –  | 66              | –   | 61  | 127              |
| Xiu Long   | –  | 60              | –   | –   | 60               |
| Zhang Cheng (Resigned on<br>20 August 2024)                | –  | 40              | –   | –   | 40               |
| Tu Haiming (Appointed on<br>30 July 2024)                  | –  | 27              | –   | 27  | 54               |
| Sun Lishi (Appointed on<br>30 July 2024)                   | –  | 20              | –   | –   | 20               |
| <b>Non-executive director</b>                              |  |                 |   |   |                  |
| Wen Limin  | –  | –               | –   | –   | –                |
| <b>Directors' remunerations</b>                            | 1,220  | 213             | 198   | 1,822   | 3,453            |
| <b>Supervisors</b>   |  |                 |   |   |                  |
| Jia Huiping  | 384  | –               | 66  | 481   | 931              |
| Li Xiaosheng   | 541  | –               | 66  | 474   | 1,081            |
| Wang Xinhua  | 539  | –               | 66  | 454   | 1,059            |
| Wan Ming   | 540  | –               | 66  | 453   | 1,059            |
| <b>Supervisors' remunerations</b>                          | 2,004  | –               | 264   | 1,862   | 4,130            |
| <b>Total</b>   | 3,224  | 213             | 462   | 3,684   | 7,583            |

There was no arrangement under which a director, supervisor or the chief executive waived or agreed to waive any remuneration during the year.

Mr. Zhao Dianlong was appointed as the President of the Company on 9 January 2026 and was elected as an executive director of the Company on 6 February 2026.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 16. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND EMPLOYEES (Continued)

#### b. Five highest paid individuals

None of the directors and supervisors was amongst the five highest paid individuals during both years. The emoluments of the five highest paid individuals in the Group during the year are as follows:

|   | Year ended<br>31/12/2025<br>RMB'000 | Year ended<br>31/12/2024<br>RMB'000 |
|---|-------------------------------------|-------------------------------------|
| Basic salaries, housing allowances, and other allowances and benefits in kind | 2,509                               | 5,730                               |
| Contributions to pension plans  | 345                                 | 232                                 |
| Discretionary bonuses ( <i>note</i> )   | 12,861                              | 7,942                               |
|   | <b>15,715</b>                       | 13,904                              |

The emoluments of the above individuals fall within the following bands:

|   | 2025<br>No. of<br>individuals | 2024<br>No. of<br>individuals |
|---|-------------------------------|-------------------------------|
| HKD2,499,999 to HKD2,999,999 (equivalent to approximately RMB2,258,049 to RMB2,709,659) | –                             | 3                             |
| HKD3,000,000 to HKD3,500,000 (equivalent to approximately RMB2,709,660 to RMB3,161,270) | 3                             | 2                             |
| HKD3,500,001 to HKD4,000,000 (equivalent to approximately RMB3,161,271 to RMB3,612,880) | 2                             | –                             |
|   | <b>5</b>                      | 5                             |

*Note:* The discretionary bonus is determined by the Remuneration and Appraisal Committee in accordance with the relevant human resources policies.

No emoluments had been paid by the Group to any of the directors, supervisors or chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: none).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 17. PROPERTY, PLANT AND EQUIPMENT

|   | Buildings<br>RMB million | Infrastructure<br>construction<br>equipment<br>RMB million | Transportation<br>equipment<br>RMB million | Manufacturing<br>equipment<br>RMB million | Testing<br>equipment and<br>instruments<br>RMB million | Other<br>equipment<br>RMB million | Construction<br>in progress<br>RMB million | Total<br>RMB million |
|---|--------------------------|--|--|---|--|-----------------------------------|--|----------------------|
| <b>Cost</b>   |                          |  |  |   |  |                                   |  |                      |
| At 1 January 2024                                   | 53,832                   | 54,250   | 16,558                                     | 12,647                                    | 4,889  | 9,279                             | 63,898                                     | 215,353              |
| Additions   | 678                      | 6,391  | 947  | 578                                       | 389  | 655                               | 13,877                                     | 23,515               |
| Transfers   | 5,303                    | 1,685  | 103  | 306                                       | 11   | 146                               | (7,554)                                    | -                    |
| Transfer from investment properties<br>(Note 19)    | 140                      | -  | -  | -   | -  | -                                 | -  | 140                  |
| Transfer from right-of-use assets                   | -                        | 147  | -  | -   | -  | -                                 | -  | 147                  |
| Transfer from properties held for sale<br>(Note 27) | 212                      | -  | -  | -   | -  | -                                 | -  | 212                  |
| Acquisition of subsidiaries                         | -                        | -  | 4  | 34  | 2  | 2                                 | 236  | 278                  |
| Disposal of subsidiaries                            | -                        | -  | (1)  | -   | -  | -                                 | -  | (1)                  |
| Disposals   | (370)                    | (5,488)  | (684)                                      | (369)                                     | (151)  | (407)                             | (1,248)                                    | (8,717)              |
| Transfer to investment properties<br>(Note 19)      | (2,098)                  | -  | -  | -   | -  | -                                 | -  | (2,098)              |
| Exchange differences                                | 33                       | (54)   | (16)                                       | 31  | -  | 2                                 | -  | (4)                  |
| Others  | (193)                    | (443)  | (9)  | (3)                                       | -  | (1)                               | 398  | (251)                |
| <b>At 31 December 2024</b>                          | <b>57,537</b>            | <b>56,488</b>  | <b>16,902</b>                              | <b>13,224</b>                             | <b>5,140</b>   | <b>9,676</b>                      | <b>69,607</b>                              | <b>228,574</b>       |
| Additions   | 845                      | 5,828  | 1,025                                      | 713                                       | 341  | 966                               | 10,818                                     | 20,536               |
| Transfers   | 1,803                    | 516  | 73   | 347                                       | 8  | -                                 | (2,747)                                    | -                    |
| Transfer from investment properties<br>(Note 19)    | 191                      | -  | -  | -   | -  | -                                 | -  | 191                  |
| Transfer from right-of-use assets                   | -                        | 79   | -  | -   | -  | -                                 | -  | 79                   |
| Transfer from properties held for sale<br>(Note 27) | 54                       | -  | -  | -   | -  | -                                 | -  | 54                   |
| Acquisition of subsidiaries                         | -                        | -  | -  | -   | -  | -                                 | 8  | 8                    |
| Disposal of subsidiaries                            | (1,290)                  | -  | (1)  | -   | -  | -                                 | -  | (1,291)              |
| Disposals   | (186)                    | (3,739)  | (829)                                      | (379)                                     | (166)  | (298)                             | (1,510)                                    | (7,107)              |
| Transfer to investment properties<br>(Note 19)      | (631)                    | -  | -  | -   | -  | -                                 | -  | (631)                |
| Exchange differences                                | (69)                     | 38   | 2  | (55)                                      | -  | (2)                               | -  | (86)                 |
| Others  | (214)                    | (390)  | (4)  | (35)                                      | (2)  | (68)                              | 267  | (446)                |
| <b>At 31 December 2025</b>                          | <b>58,040</b>            | <b>58,820</b>  | <b>17,168</b>                              | <b>13,815</b>                             | <b>5,321</b>   | <b>10,274</b>                     | <b>76,443</b>                              | <b>239,881</b>       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 17. PROPERTY, PLANT AND EQUIPMENT (Continued)

|   | Buildings<br>RMB million | Infrastructure<br>construction<br>equipment<br>RMB million | Transportation<br>equipment<br>RMB million | Manufacturing<br>equipment<br>RMB million | Testing<br>equipment and<br>instruments<br>RMB million | Other<br>equipment<br>RMB million | Construction<br>in progress<br>RMB million | Total<br>RMB million |
|---|--------------------------|--|--|---|--|-----------------------------------|--|----------------------|
| <b>Depreciation and impairment</b>                      |                          |  |  |   |  |                                   |  |                      |
| At 1 January 2024                                       | (15,403)                 | (33,082)   | (12,311)                                   | (7,866)                                   | (3,614)  | (6,091)                           | (594)                                      | (78,961)             |
| Depreciation charge <i>(Note 12)</i>                    | (1,889)                  | (4,532)  | (1,222)                                    | (1,035)                                   | (397)  | (843)                             | -  | (9,918)              |
| Impairment losses recognised                            | (38)                     | -  | -  | (2)                                       | -  | -                                 | (24)                                       | (64)                 |
| Transfers   | (29)                     | -  | -  | -   | -  | -                                 | 29   | -                    |
| Transfer from investment properties<br><i>(Note 19)</i> | (25)                     | -  | -  | -   | -  | -                                 | -  | (25)                 |
| Transfer from right-of-use assets                       | -                        | (78)   | -  | -   | -  | -                                 | -  | (78)                 |
| Disposal of subsidiaries                                | -                        | -  | 1  | -   | -  | -                                 | -  | 1                    |
| Disposals   | 194                      | 3,832  | 627  | 283                                       | 139  | 261                               | -  | 5,336                |
| Transfer to investment properties<br><i>(Note 19)</i>   | 260                      | -  | -  | -   | -  | -                                 | -  | 260                  |
| Exchange differences                                    | (31)                     | 33   | 6  | (23)                                      | -  | (1)                               | -  | (16)                 |
| Others  | 34                       | 208  | 6  | 2   | -  | 1                                 | -  | 251                  |
| At 31 December 2024                                     | <b>(16,927)</b>          | <b>(33,619)</b>  | <b>(12,893)</b>                            | <b>(8,641)</b>                            | <b>(3,872)</b>   | <b>(6,673)</b>                    | <b>(589)</b>                               | <b>(83,214)</b>      |
| Depreciation charge <i>(Note 12)</i>                    | <b>(2,130)</b>           | <b>(5,115)</b>   | <b>(1,253)</b>                             | <b>(1,163)</b>                            | <b>(389)</b>   | <b>(703)</b>                      | -  | <b>(10,753)</b>      |
| Impairment losses recognised                            | <b>(66)</b>              | -  | -  | <b>(1)</b>                                | -  | -                                 | <b>(7)</b>                                 | <b>(74)</b>          |
| Transfer from investment properties<br><i>(Note 19)</i> | <b>(82)</b>              | -  | -  | -   | -  | -                                 | -  | <b>(82)</b>          |
| Transfer from right-of-use assets                       | -                        | <b>(75)</b>  | -  | -   | -  | -                                 | -  | <b>(75)</b>          |
| Disposal of subsidiaries                                | <b>823</b>               | -  | -  | -   | -  | -                                 | -  | <b>823</b>           |
| Disposals   | <b>64</b>                | <b>2,944</b>   | <b>761</b>                                 | <b>307</b>                                | <b>144</b>   | <b>197</b>                        | -  | <b>4,417</b>         |
| Transfer to investment properties<br><i>(Note 19)</i>   | <b>85</b>                | -  | -  | -   | -  | -                                 | -  | <b>85</b>            |
| Exchange differences                                    | <b>40</b>                | <b>(50)</b>  | <b>(3)</b>                                 | <b>46</b>                                 | -  | <b>2</b>                          | -  | <b>35</b>            |
| Others  | <b>113</b>               | <b>242</b>   | <b>1</b>                                   | <b>24</b>                                 | <b>1</b>   | <b>65</b>                         | -  | <b>446</b>           |
| At 31 December 2025                                     | <b>(18,080)</b>          | <b>(35,673)</b>  | <b>(13,387)</b>                            | <b>(9,428)</b>                            | <b>(4,116)</b>   | <b>(7,112)</b>                    | <b>(596)</b>                               | <b>(88,392)</b>      |
| <b>Carrying values</b>                                  |                          |  |  |   |  |                                   |  |                      |
| At 31 December 2025                                     | <b>39,960</b>            | <b>23,147</b>  | <b>3,781</b>                               | <b>4,387</b>                              | <b>1,205</b>   | <b>3,162</b>                      | <b>75,847</b>                              | <b>151,489</b>       |
| At 31 December 2024                                     | 40,610                   | 22,869   | 4,009                                      | 4,583                                     | 1,268  | 3,003                             | 69,018                                     | 145,360              |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is calculated using the straight-line method and the units of production method to allocate their cost to their residual values over their estimated useful lives, as follows:

|   |                            |
|---|----------------------------|
| – Buildings                             | 15-50 years                |
| – Infrastructure construction equipment | 8-15 years                 |
| – Transportation equipment              | Units of production method |
| – Manufacturing equipment               | 4-12 years                 |
| – Testing equipment and instruments     | 5-18 years                 |
| – Other equipment                       | 5-10 years                 |
|   | 3-10 years                 |

- (a) Depreciation of the Group's property, plant and equipment of RMB9,539 million (2024: RMB8,589 million) has been charged to cost of sales, RMB206 million (2024: RMB242 million) to research and development expenditures, RMB951 million (2024: RMB1,020 million) to administrative expenses, and RMB57 million (2024: RMB67 million) to selling and marketing expenses.
- (b) As at 31 December 2025, bank borrowings amounting to RMB1,644 million (2024: RMB2,065 million) are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB4,055 million (2024: RMB5,885 million). As at 31 December 2025, other borrowings amounting to RMB1,109 million are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB794 million and right of land use (Note 18(a)) with an aggregate book carrying amount of approximately RMB162 million (2024: Nil) (Note 39(c)).
- (c) As at 31 December 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 RMB2,110 million (2024: RMB2,226 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.
- (d) The category of infrastructure construction equipment, transportation equipment, manufacturing equipment, testing equipment and instruments and other equipment leased by the Group to third parties under operating leases with the following carrying amounts:

|                          | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--------------------------|---------------------------|---------------------------|
| Cost                     | <b>4,934</b>              | 4,097                     |
| Accumulated depreciation | <b>(1,301)</b>            | (760)                     |
| Net book amount          | <b>3,633</b>              | 3,337                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 18. RIGHT-OF-USE ASSETS

| Right-of-use assets                   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---------------------------------------|---------------------------|---------------------------|
| Buildings                             | 1,067                     | 1,316                     |
| Right of land use                     | 12,023                    | 11,979                    |
| Infrastructure construction equipment | 2,943                     | 2,715                     |
| Transportation equipment              | 241                       | 151                       |
| Manufacturing equipment               | 4                         | 7                         |
| Other equipment                       | 347                       | 233                       |
| <b>Total</b>                          | <b>16,625</b>             | <b>16,401</b>             |

Additions to the right-of-use assets during the year ended 31 December 2025 were RMB6,610 million (2024: RMB5,220 million). Maturity and modification to the lease leading the cost of right-of-use assets during the year ended 31 December 2025 decreased by RMB4,952 million (2024: RMB888 million).

| Depreciation                          | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---------------------------------------|---|---|
| Buildings                             | 666                                     | 522                                     |
| Right of land use                     | 420                                     | 376                                     |
| Infrastructure construction equipment | 3,820                                   | 1,892                                   |
| Transportation equipment              | 562                                     | 59                                      |
| Manufacturing equipment               | 18                                      | 2                                       |
| Other equipment                       | 184                                     | 103                                     |
| <b>Total (Note 12)</b>                | <b>5,670</b>                            | <b>2,954</b>                            |

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Interest expenses (included in finance cost) (Note 10)   | 190                                     | 223                                     |
| Expense relating to leases of low-value assets and short-term leases<br>(included in cost of sales and services and administrative expenses) | 28,772                                  | 29,795                                  |

The total cash outflow for leases in the year ended 31 December 2025 was RMB33,840 million (31 December 2024: RMB32,739 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 18. RIGHT-OF-USE ASSETS (Continued)

(a) As at 31 December 2025, other borrowings amounting to RMB1,109 million are secured by certain property, plant and equipment (Note 17(b)) with an aggregate book carrying amount of approximately RMB794 million and right of land use with an aggregate book carrying amount of approximately RMB162 million (2024: Nil) (Note 39(c)).

#### (b) The Group's leasing activities and how these are accounted for

The Group leases buildings, infrastructure construction equipment, transportation equipment, manufacturing equipment and other equipment. Rental contracts are made for fixed periods, but may have extension options as described in (c) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

#### (c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

### 19. INVESTMENT PROPERTIES

|   | RMB million   |
|---|---------------|
| <b>Cost</b>   |               |
| At 1 January 2024                                     | 20,437        |
| Exchange difference                                   | 15            |
| Additions   | 567           |
| Acquisition of subsidiaries                           | 67            |
| Transfer from property, plant and equipment (Note 17) | 2,098         |
| Transfer from right-of-use assets                     | 6             |
| Transfer from properties held for sale (Note (27(b))) | 434           |
| Transfer to property, plant and equipment (Note 17)   | (140)         |
| Transfer to right-of-use assets                       | (8)           |
| Transfer to properties held for sale (Note (27(b)))   | (97)          |
| Disposals   | (175)         |
| At 31 December 2024                                   | <b>23,204</b> |
| Exchange difference                                   | <b>(15)</b>   |
| Additions   | <b>711</b>    |
| Transfer from property, plant and equipment (Note 17) | <b>631</b>    |
| Transfer from right-of-use assets                     | <b>1</b>      |
| Transfer from properties held for sale (Note (27(b))) | <b>3,372</b>  |
| Transfer to property, plant and equipment (Note 17)   | <b>(191)</b>  |
| Transfer to properties held for sale (Note (27(b)))   | <b>(2)</b>    |
| Disposals   | <b>(671)</b>  |
| <b>At 31 December 2025</b>                            | <b>27,040</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 19. INVESTMENT PROPERTIES (Continued)

|  | RMB million    |
|--|----------------|
| <b>Depreciation and impairment</b>                             |                |
| At 1 January 2024  | (3,355)        |
| Exchange difference  | 6              |
| Depreciation charge ( <i>Note 12</i> )                         | (659)          |
| Impairment losses recognised                                   | (38)           |
| Transfer from property, plant and equipment ( <i>Note 17</i> ) | (260)          |
| Transfer from right-of-use assets                              | (2)            |
| Transfer to property, plant and equipment ( <i>Note 17</i> )   | 25             |
| Transfer to right-of-use assets                                | 3              |
| Transfer to properties held for sale ( <i>Note (27(b))</i> )   | 18             |
| Disposals  | 17             |
|  | <b>(4,245)</b> |
| At 31 December 2024  | <b>3</b>       |
| Exchange difference  | <b>(767)</b>   |
| Depreciation charge ( <i>Note 12</i> )                         | <b>(131)</b>   |
| Impairment losses recognised                                   | <b>(85)</b>    |
| Transfer from property, plant and equipment ( <i>Note 17</i> ) | <b>82</b>      |
| Transfer to property, plant and equipment ( <i>Note 17</i> )   | <b>56</b>      |
| Disposals  | <b>(5,087)</b> |
|  | <b>(5,087)</b> |
| At 31 December 2025  | <b>(5,087)</b> |
| <b>Carrying values</b>   |                |
| <b>At 31 December 2025</b>                                     | <b>21,953</b>  |
| At 31 December 2024  | 18,959         |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 19. INVESTMENT PROPERTIES (Continued)

- (a) As at 31 December 2025, the fair value of the Group's investment properties is based on valuations performed by ChungRui World Union Appraisal Group Co., Ltd., a firm of independent and professionally qualified valuers not connected with the Group. The investment properties, mainly located in the Mainland China, are valued by the income approach by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate, or by the comparison approach by making reference to comparable market transactions, which rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors. The fair value falls into the category of fair value measurements using significant unobservable inputs (level 3) including future rental cash inflows, capitalisation rate and current prices in an active market for similar properties.
- (b) Rental income and depreciation of the Group's investment properties of RMB1,060 million and RMB767 million (2024: RMB888 million and RMB659 million), respectively, was recognised as "revenue" and "cost of sales and services" in the consolidated statement of profit or loss for the year ended 31 December 2025.
- (c) As at 31 December 2025, the Group had no unprovided contractual obligations for future repairs and maintenance (2024: nil).
- (d) The Group is in the process of applying for the title certificates for certain of its investment properties with an aggregate carrying value of RMB1,647 million as at 31 December 2025 (2024: RMB1,965 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use these investment properties.
- (e) Minimum lease payments receivable on leases of investment properties are as follows:

|                       | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-----------------------|---------------------------|---------------------------|
| Within 1 year         | 294                       | 300                       |
| Between 1 and 2 years | 156                       | 165                       |
| Between 2 and 3 years | 120                       | 126                       |
| Between 3 and 4 years | 66                        | 74                        |
| Between 4 and 5 years | 42                        | 38                        |
| Later than 5 years    | 132                       | 185                       |
|                       | <b>810</b>                | <b>888</b>                |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 20. INTANGIBLE ASSETS

|                                    | Service<br>concession<br>arrangements<br>RMB million | Non-patented<br>technologies<br>RMB million | Patents<br>RMB million | Computer<br>software<br>RMB million | Others<br>RMB million | Total<br>RMB million |
|------------------------------------|--|---|------------------------|-------------------------------------|-----------------------|----------------------|
| <b>Cost</b>                        |  |   |                        |                                     |                       |                      |
| At 1 January 2024                  | 185,086  | 771   | 57                     | 1,945                               | 483                   | 188,342              |
| Additions                          | 36,636   | –   | 3                      | 392                                 | 62                    | 37,093               |
| Acquisition of subsidiaries        | 14,458   | –   | –                      | 1                                   | 4                     | 14,463               |
| Disposals                          | –  | –   | –                      | (9)                                 | –                     | (9)                  |
| Exchange differences               | 38   | –   | –                      | 1                                   | –                     | 39                   |
| Others                             | (1,379)  | –   | –                      | (8)                                 | (1)                   | (1,388)              |
| <b>At 31 December 2024</b>         | <b>234,839</b>                                       | <b>771</b>                                  | <b>60</b>              | <b>2,322</b>                        | <b>548</b>            | <b>238,540</b>       |
| Additions                          | 46,051   | 51  | 8                      | 258                                 | 430                   | 46,798               |
| Acquisition of subsidiaries        | 3,831  | –   | –                      | –                                   | –                     | 3,831                |
| Disposals                          | –  | –   | (2)                    | (16)                                | –                     | (18)                 |
| Exchange differences               | (27)   | –   | –                      | –                                   | –                     | (27)                 |
| Others                             | (74)   | –   | –                      | (21)                                | –                     | (95)                 |
| <b>At 31 December 2025</b>         | <b>284,620</b>                                       | <b>822</b>                                  | <b>66</b>              | <b>2,543</b>                        | <b>978</b>            | <b>289,029</b>       |
| <b>Amortisation and impairment</b> |  |   |                        |                                     |                       |                      |
| At 1 January 2024                  | (3,032)  | (442)                                       | (12)                   | (1,016)                             | (356)                 | (4,858)              |
| Amortisation charge (Note 12)      | (1,318)  | (65)  | (6)                    | (219)                               | (26)                  | (1,634)              |
| Exchange differences               | (6)  | –   | –                      | (1)                                 | –                     | (7)                  |
| Others                             | 192  | –   | –                      | 11                                  | 1                     | 204                  |
| <b>At 31 December 2024</b>         | <b>(4,164)</b>                                       | <b>(507)</b>                                | <b>(18)</b>            | <b>(1,225)</b>                      | <b>(381)</b>          | <b>(6,295)</b>       |
| Amortisation charge (Note 12)      | (2,409)  | (63)  | (6)                    | (233)                               | (45)                  | (2,756)              |
| Impairment                         | (28)   | (16)  | –                      | –                                   | –                     | (44)                 |
| Exchange differences               | 3  | –   | –                      | –                                   | –                     | 3                    |
| Others                             | –  | –   | –                      | 36                                  | –                     | 36                   |
| <b>At 31 December 2025</b>         | <b>(6,598)</b>                                       | <b>(586)</b>                                | <b>(24)</b>            | <b>(1,422)</b>                      | <b>(426)</b>          | <b>(9,056)</b>       |
| <b>Carrying values</b>             |  |   |                        |                                     |                       |                      |
| <b>At 31 December 2025</b>         | <b>278,022</b>                                       | <b>236</b>                                  | <b>42</b>              | <b>1,121</b>                        | <b>552</b>            | <b>279,973</b>       |
| At 31 December 2024                | 230,675  | 264   | 42                     | 1,097                               | 167                   | 232,245              |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**20. INTANGIBLE ASSETS (Continued)**

- (a) The Group has entered into a number of service concession arrangements with certain government authorities in the PRC in respect of its toll road operations, sewage plants and other constructions in exchange for a right for the Group to operate the asset. The assets are classified as intangible assets if the operator receives a right to charge users of the public service and this right is not an unconditional contractual right to receive cash. Pursuant to the service concession arrangement contracts, the Group is responsible for the construction of toll roads, sewage plants and other constructions, and the acquisition of the related facilities and equipment, and is entitled to operate the toll roads, the sewage plants and other construction upon completion for a specified remaining concession period from 8 to 40 years (2024: from 12 to 40 years) by charging users of the public service, which amounts are contingent on the extent that the public uses the service. The Group will not hold any residual interest in the toll roads, the sewage plants and other constructions upon expiration of the concession period. As such, the service concession arrangement contracts are accounted for as service concession arrangements and an intangible asset was recognised at an amount equals to the fair value of the consideration for provision of construction service upon initial recognition.
- (b) As at 31 December 2025, the cost of service concession arrangements have been put into operations amounted to RMB219,824 million (2024: RMB172,825 million). The cost of service concession arrangements where the related projects were under construction amounted to RMB64,796 million (2024: RMB62,014 million).
- (c) Amortisation of the Group's intangible assets of RMB2,430 million (2024: RMB1,475 million) has been charged to cost of sales and services, and RMB326 million (2024: RMB159 million) to administrative expenses.
- (d) As at 31 December 2025, bank borrowings amounting to RMB110,825 million (2024: RMB93,476 million) are secured by concession assets with carrying amount of approximately RMB154,254 million (2024: RMB146,304 million) (Note 39(c)).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 21. MINING ASSETS

|  | Mining<br>rights<br>RMB million | Exploration<br>and<br>evaluation<br>assets<br>RMB million | Total<br>RMB million |
|--|---------------------------------|---|----------------------|
| <b>Cost</b>                            |                                 |   |                      |
| At 1 January 2024                      | 5,264                           | 134   | 5,398                |
| Additions                              | 4,642                           | –   | 4,642                |
| Disposals                              | (7)                             | –   | (7)                  |
| At 31 December 2024                    | <b>9,899</b>                    | <b>134</b>  | <b>10,033</b>        |
| Additions                              | <b>12</b>                       | –   | <b>12</b>            |
| Disposals                              | <b>(24)</b>                     | –   | <b>(24)</b>          |
| <b>At 31 December 2025</b>             | <b>9,887</b>                    | <b>134</b>  | <b>10,021</b>        |
| <b>Amortisation and impairment</b>     |                                 |   |                      |
| At 1 January 2024                      | (2,071)                         | (121)   | (2,192)              |
| Amortisation charge ( <i>Note 12</i> ) | (155)                           | –   | (155)                |
| Impairment charge                      | (9)                             | (13)  | (22)                 |
| Others                                 | 7                               | –   | 7                    |
| At 31 December 2024                    | <b>(2,228)</b>                  | <b>(134)</b>  | <b>(2,362)</b>       |
| Amortisation charge ( <i>Note 12</i> ) | <b>(217)</b>                    | –   | <b>(217)</b>         |
| <b>At 31 December 2025</b>             | <b>(2,445)</b>                  | <b>(134)</b>  | <b>(2,579)</b>       |
| <b>Carrying values</b>                 |                                 |   |                      |
| <b>At 31 December 2025</b>             | <b>7,442</b>                    | –   | <b>7,442</b>         |
| At 31 December 2024                    | 7,671                           | –   | 7,671                |

As at 31 December 2025, bank borrowings amounting to RMB504 million are secured by mining assets with carrying amount of approximately RMB1,070 million (31 December 2024: Nil) (Note 39(c)).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 22. SUBSIDIARIES (Continued)

#### (b) Material non-controlling interests (Continued)

- (i) The table below shows the details of a non-wholly-owned subsidiary of the Group that have material non-controlling interests. (Continued)

#### Financial information on subsidiaries with material non-controlling interests

Set out below is summarized financial information for China Railway Yunnan Construction Investment Co., Ltd. in which there is non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

| Summarised consolidated statement of financial position   | 31/12/2025<br>RMB million               | 31/12/2024<br>RMB million               |
|---|---|---|
| <b>Current</b>  |   |   |
| Assets  | <b>34,738</b>                           | 36,363                                  |
| Liabilities   | <b>30,711</b>                           | 27,883                                  |
| <b>Total current net assets</b>   | <b>4,027</b>                            | 8,480                                   |
| <b>Non-current</b>  |   |   |
| Assets  | <b>145,029</b>                          | 129,800                                 |
| Liabilities   | <b>59,962</b>                           | 57,531                                  |
| <b>Total non-current net assets</b>   | <b>85,067</b>                           | 72,269                                  |
| <b>Net assets</b>   | <b>89,094</b>                           | 80,749                                  |
| Summarised consolidated statement of profit or loss and other comprehensive income              | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
| Revenue   | <b>13,469</b>                           | 12,986                                  |
| Profit for the year   | <b>32</b>                               | 176                                     |
| Total comprehensive income  | <b>32</b>                               | 176                                     |
| – attributable to equity shareholders of China Railway Yunnan Construction Investment Co., Ltd. | <b>32</b>                               | 180                                     |
| – attributable to NCI of China Railway Yunnan Construction Investment Co., Ltd.                 | –                                       | (4)                                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 22. SUBSIDIARIES (Continued)

## (b) Material non-controlling interests (Continued)

- (i) The table below shows the details of a non-wholly-owned subsidiary of the Group that have material non-controlling interests. (Continued)

## Financial information on subsidiaries with material non-controlling interests (Continued)

| Summarised consolidated statement of cash flows      | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Net cash generated from operating activities         | 3,694                                   | 2,759                                   |
| Net cash used in investing activities                | (11,884)                                | (10,063)                                |
| Net cash generated from financing activities         | 8,371                                   | 6,682                                   |
| Net increase/(decrease) in cash and cash equivalents | 181                                     | (622)                                   |

Set out below is summarised financial information for China Railway Hi-Tech Industry Co., Ltd. in which there is non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

| Summarised consolidated statement of financial position | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| <b>Current</b>  |                           |                           |
| Assets  | 50,941                    | 50,597                    |
| Liabilities   | 35,873                    | 35,883                    |
| <b>Total current net assets</b>                         | 15,068                    | 14,714                    |
| <b>Non-current</b>                                      |                           |                           |
| Assets  | 14,143                    | 13,360                    |
| Liabilities   | 839                       | 736                       |
| <b>Total non-current net assets</b>                     | 13,304                    | 12,624                    |
| <b>Net assets</b>                                       | 28,372                    | 27,338                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 22. SUBSIDIARIES (Continued)

#### (b) Material non-controlling interests (Continued)

- (i) The table below shows the details of a non-wholly-owned subsidiary of the Group that have material non-controlling interests. (Continued)

#### Financial information on subsidiaries with material non-controlling interests (Continued)

| Summarised consolidated statement of profit or loss and other comprehensive income | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Revenue  | 27,690                                  | 29,003                                  |
| Profit for the year  | 1,325                                   | 1,733                                   |
| Other comprehensive income/(expense)   | 5                                       | (2)                                     |
| Total comprehensive income   | 1,330                                   | 1,731                                   |
| – attributable to equity shareholders of China Railway Hi-Tech Industry Co., Ltd.  | 1,372                                   | 1,768                                   |
| – attributable to NCI of China Railway Hi-Tech Industry Co., Ltd.                  | (42)                                    | (37)                                    |
| Dividends paid to non-controlling interests  | 118                                     | 126                                     |
| Summarised consolidated statement of cash flows                                    | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
| Net cash generated from operating activities                                       | 1,098                                   | 645                                     |
| Net cash used in investing activities  | (907)                                   | (288)                                   |
| Net cash used in financing activities  | (261)                                   | (244)                                   |
| Effect of foreign exchange rate changes  | 23                                      | 3                                       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                        | <b>(47)</b>                             | <b>116</b>                              |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 22. SUBSIDIARIES (Continued)

#### (c) Consolidation of the structured entities

To determine whether to consolidate the structured entities (mainly the unlisted entrust products) or not, the main factor considered by the Group is the ability to control these structured entities. For those structured entities managed and invested by China Railway Trust Co., Ltd. ("China Railway Trust"), the directly owned subsidiary of the Company, the Group consolidated those structured entities when the Group is exposed to significant variable returns and has the ability to affect the variable returns, including the returns of its interests in these structured entities as investor and trust commission fee earned from these structured entities as manager.

As at 31 December 2025, the total assets of the consolidated structured entities amounted to RMB11,251 million (31 December 2024: RMB10,127 million), and the interests of other investors in these structured entities amounted to RMB5,102 million (31 December 2024: RMB4,503 million).

As at 31 December 2025 and 2024, there was no contractual liquidity arrangements, guarantees or other commitments between the Group and the consolidated structured entities.

#### (d) Interests in unconsolidated structured entities

(i) China Railway Trust serves as manager of unconsolidated structured entities (mainly the unlisted entrust products) and earns trust commission fee. In the opinion of the Directors, the Group did not consolidate these structured entities that it has no control over these structured entities.

As at 31 December 2025, the maximum exposure to the loss of the Group's investments and the amount recognised as financial assets in the consolidated financial statements over these unconsolidated structured entities which the Group has interests in amounted to RMB402 million (31 December 2024: RMB964 million).

As at 31 December 2025, the scale of the unconsolidated structured entities established amounted to RMB606,130 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 22. SUBSIDIARIES (Continued)

#### (d) Interests in unconsolidated structured entities (Continued)

- (ii) The Group and several unlisted entrust products (“Investee Entrust Products”), which the Group has interests in, invested in certain limited liability partnership funds (the “Funds”). The Funds are mainly engaged in infrastructure activities. A number of Investee Entrust Products acted as limited partners of the Funds to finance the operation activities of the Funds.

The Directors are of the opinion that the Group did not have control over Investee Entrust Products and the Funds and therefore, these Investee Entrust Products and the Funds were deemed as structured entities and were not consolidated by the Group.

As at 31 December 2025, the scale of these unconsolidated structured entities amounted to RMB27,399 million (31 December 2024: RMB28,149 million).

The maximum exposure to the loss of the Group’s investments in the unconsolidated structured entities as at 31 December 2025 is disclosed in the following table.

|                               | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------------------------------|---------------------------|---------------------------|
| Investments in joint ventures | 9,035                     | 8,957                     |
| Financial assets at FVTPL     | 579                       | 559                       |
|                               | <b>9,614</b>              | 9,516                     |

As at 31 December 2025 and 2024, there was no contractual liquidity arrangements, guarantees or other commitments between the Group and the unconsolidated structured entities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated statement of financial position are as follows:

|                | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|----------------|---------------------------|---------------------------|
| Associates     | 74,138                    | 69,690                    |
| Joint ventures | 60,626                    | 57,020                    |
|                | <b>134,764</b>            | 126,710                   |

The amounts recognised in the consolidated statement of profit or loss are as follows:

|                | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|----------------|---|---|
| Associates     | 3,278                                   | 3,134                                   |
| Joint ventures | (244)                                   | (724)                                   |
|                | <b>3,034</b>                            | 2,410                                   |

## (a) Investments in associates

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| At 1 January                                       | 69,690                                  | 63,305                                  |
| Additions  | 6,724                                   | 4,309                                   |
| Disposals  | (3,435)                                 | (2,754)                                 |
| Transfer to subsidiaries                           | (116)                                   | (15)                                    |
| Transfer from joint ventures                       | 1,118                                   | 4,716                                   |
| Share of profit or loss, net                       | 3,278                                   | 3,134                                   |
| Dividend distribution                              | (3,160)                                 | (2,980)                                 |
| Impairment losses recognised                       | (37)                                    | –                                       |
| Share of other comprehensive expense of associates | (238)                                   | (10)                                    |
| Share of other reserves of associates              | 314                                     | (15)                                    |
| <b>At 31 December</b>                              | <b>74,138</b>                           | 69,690                                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### (a) Investments in associates (Continued)

- (i) All of the associates of the Group are unlisted and there is no quoted market price available for their shares.
- (ii) In 2025, the Group acts as the guarantors for various external borrowings made by certain associates amounted to RMB191 million (2024: RMB730 million) (Note 47(c)).
- (iii) Details of Group's material associates as at 31 December 2025 and 2024 are as follows:

| Name of entity   | Country of incorporation/<br>registration | Principal place of business      | Proportion of ownership interest held by the Group |        | Proportion of voting rights held by the Group |        | Principal activity                 |
|--|---|----------------------------------|--|--------|---|--------|------------------------------------|
|  |   |                                  | 2025   | 2024   | 2025  | 2024   |                                    |
| 華剛礦業股份有限公司<br>LA Sino-Congolaise<br>Des Mines S.A.<br>("SICOMINGS S.A.")   | Democratic Republic of the Congo          | Democratic Republic of the Congo | <b>41.72%</b>                                      | 41.72% | <b>41.72%</b>                                 | 41.72% | Mining                             |
| 中鐵京西(北京)高速公路發展有限公司<br>China Railway Jingxi<br>(Beijing) Expressway<br>Development Co., Ltd.<br>("Jingxi Expressway") | PRC                                       | PRC                              | <b>45.00%</b>                                      | 45.00% | <b>45.00%</b>                                 | 45.00% | Expressway construction management |

#### Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards.

All of these associates are accounted for using the equity method in these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

## (a) Investments in associates (Continued)

## Summarised financial information of material associates (Continued)

*SICOMINGS S.A.*

|   | 31/12/2025<br>RMB million               | 31/12/2024<br>RMB million               |
|---|---|---|
| Current assets  | 13,248                                  | 14,151                                  |
| Non-current assets                                    | 52,871                                  | 55,273                                  |
| Current liabilities                                   | 12,920                                  | 13,109                                  |
| Non-current liabilities                               | 31,837                                  | 34,938                                  |
|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
| Revenue   | 16,424                                  | 15,056                                  |
| Profit for the year                                   | 5,130                                   | 3,957                                   |
| Other comprehensive (expense)/income for the year     | (490)                                   | 134                                     |
| Total comprehensive income for the year               | 4,640                                   | 4,091                                   |
| Dividends received from the associate during the year | 1,942                                   | 1,901                                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### (a) Investments in associates (Continued)

##### Summarised financial information of material associates (Continued)

###### *SICOMINGS S.A. (Continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| Net assets attributable to the owners of the Company  | <b>21,362</b>             | 21,378                    |
| Proportion of the Group's ownership in associates     | <b>41.72%</b>             | 41.72%                    |
| Other adjustments                                     | <b>(304)</b>              | (429)                     |
| Carrying amount of the Group's interest in associates | <b>8,608</b>              | 8,490                     |

###### *Jingxi Expressway*

|                         | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------------------------|---------------------------|---------------------------|
| Current assets          | <b>1,997</b>              | 1,888                     |
| Non-current assets      | <b>18,843</b>             | 18,887                    |
| Current liabilities     | <b>145</b>                | 229                       |
| Non-current liabilities | <b>9,763</b>              | 9,564                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

## (a) Investments in associates (Continued)

## Summarised financial information of material associates (Continued)

*Jingxi Expressway (Continued)*

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Revenue                                  | 127                                     | 11                                      |
| Loss for the year                        | (51)                                    | (11)                                    |
| Total comprehensive expense for the year | (51)                                    | (11)                                    |

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| Net assets attributable to the owners of the Company  | 10,932                    | 10,982                    |
| Proportion of the Group's ownership in associates     | 45.00%                    | 45.00%                    |
| Other adjustments                                     | (6)                       | (6)                       |
| Carrying amount of the Group's interest in associates | 4,913                     | 4,936                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### (a) Investments in associates (Continued)

##### Aggregate information of associates that are not individually material

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| The Group's share of profit from continuing operations                 | 1,161                                   | 1,489                                   |
| The Group's share of other comprehensive expense                       | (34)                                    | (67)                                    |
| The Group's share of total comprehensive income                        | 1,127                                   | 1,422                                   |
| Aggregate carrying amount of the Group's interests in these associates | 60,617                                  | 56,278                                  |

#### (b) Investments in joint ventures

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| At 1 January  | 57,020                                  | 60,322                                  |
| Additions   | 13,269                                  | 6,008                                   |
| Disposals   | (8,235)                                 | (3,478)                                 |
| Transfer to subsidiaries                              | (36)                                    | (246)                                   |
| Transfer to associates                                | (1,118)                                 | (4,716)                                 |
| Share of profit or loss, net                          | (244)                                   | (724)                                   |
| Dividend distribution                                 | (130)                                   | (159)                                   |
| Share of other comprehensive income of joint ventures | –                                       | 87                                      |
| Share of other reserves of joint ventures             | 100                                     | (74)                                    |
| At 31 December  | 60,626                                  | 57,020                                  |

- (i) All of the joint ventures of the Group are unlisted and there is no quoted market price available for their shares.
- (ii) In 2025, the Group acts as the guarantor for external borrowing made by certain joint ventures amounted to RMB5,394 million (2024: RMB5,771 million) (Note 47(c)).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

## (b) Investments in joint ventures (Continued)

(iii) Details of Group's material joint ventures as at 31 December 2025 and 2024 are as follows:

| Name of entity   | Country of incorporation/<br>registration | Principal place of business | Proportion of ownership interest held by the |        | Proportion of voting rights held by the Group |        | Principal activity                   |
|--|---|-----------------------------|--|--------|---|--------|--------------------------------------|
|  |   |                             | Group  |        | 2025  |        |                                      |
|  |   |                             | 2025   | 2024   | 2025  | 2024   |                                      |
| 昆明轨道交通四號線土建<br>項目建設管理有限公司<br>Kunming Rail Transit<br>Line 4 Construction<br>Management Co., Ltd.<br>("Kunming Line 4") | PRC                                       | PRC                         | 75.73%                                       | 75.73% | 75.73%  | 75.73% | Subway<br>construction<br>management |
| 貴陽轨道交通三號線建設<br>運營有限公司<br>Guiyang Rail Transit Line 3<br>Construction and<br>Operation Co., Ltd.<br>("Guiyang Line 3")  | PRC                                       | PRC                         | 49.00%                                       | 49.00% | 49.00%  | 49.00% | Subway<br>construction<br>management |

**Summarised financial information of material joint ventures**

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### (b) Investments in joint ventures (Continued)

##### Summarised financial information of material joint ventures (Continued)

###### Kunming Line 4

|   | 31/12/2025<br>RMB million               | 31/12/2024<br>RMB million               |
|---|---|---|
| Current assets                          | 4,749                                   | 4,031                                   |
| Non-current assets                      | 13,173                                  | 14,001                                  |
| Current liabilities                     | 487                                     | 615                                     |
| Non-current liabilities                 | 11,006                                  | 11,056                                  |
|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
| Revenue                                 | 1,534                                   | 1,531                                   |
| Profit for the year                     | 68                                      | 66                                      |
| Total comprehensive income for the year | 68                                      | 66                                      |

Reconciliation of the above summarised financial information to the carrying amount of the interest in Kunming Line 4 recognised in the consolidated financial statements:

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| Net assets of Kunming Line 4                                   | 6,429                     | 6,361                     |
| Proportion of the Group's ownership interest in Kunming Line 4 | 75.73%                    | 75.73%                    |
| Carrying amount of the Group's interest in Kunming Line 4      | 4,869                     | 4,817                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

## (b) Investments in joint ventures (Continued)

## Summarised financial information of material joint ventures (Continued)

## Guiyang Line 3

|   | 31/12/2025<br>RMB million               | 31/12/2024<br>RMB million               |
|---|---|---|
| Current assets                          | 5,797                                   | 4,613                                   |
| Non-current assets                      | 27,149                                  | 27,298                                  |
| Current liabilities                     | 1,425                                   | 1,228                                   |
| Non-current liabilities                 | 21,180                                  | 20,899                                  |
|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
| Revenue                                 | 193                                     | 535                                     |
| Profit for the year                     | 522                                     | 535                                     |
| Total comprehensive income for the year | 522                                     | 535                                     |

Reconciliation of the above summarised financial information to the carrying amount of the interest in Guiyang Line 3 recognised in the consolidated financial statements:

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| Net assets of Guiyang Line 3                                   | 10,341                    | 9,784                     |
| Proportion of the Group's ownership interest in Guiyang Line 3 | 49.00%                    | 49.00%                    |
| Other adjustments  | (121)                     | (137)                     |
| Carrying amount of the Group's interest in Guiyang Line 3      | 4,946                     | 4,657                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### (b) Investments in joint ventures (Continued)

##### Aggregate information of joint ventures that are not individually material

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| The Group's share of loss from continuing operations                          | (551)                                   | (1,012)                                 |
| The Group's share of other comprehensive income                               | –                                       | 87                                      |
| The Group's share of total comprehensive expense                              | (551)                                   | (925)                                   |
| Aggregate carrying amount of the Group's interests<br>in these joint ventures | 50,811                                  | 47,546                                  |

### 24. GOODWILL

|                            | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|----------------------------|---|---|
| <b>COST</b>                |   |   |
| At beginning of year       | 1,910                                   | 1,829                                   |
| Addition                   | –                                       | 81                                      |
| At end of year             | 1,910                                   | 1,910                                   |
| <b>IMPAIRMENT</b>          |   |   |
| At beginning of year       | (352)                                   | (153)                                   |
| Impairment loss recognised | (212)                                   | (199)                                   |
| At end of year             | (564)                                   | (352)                                   |
| <b>CARRYING VALUES</b>     |   |   |
| At beginning of year       | 1,558                                   | 1,676                                   |
| At end of year             | 1,346                                   | 1,558                                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 24. GOODWILL (Continued)

The carrying amount of goodwill at the end of the reporting period is attributable to acquisition of subsidiaries in the following subsidiaries (whose principal activities are disclosed in Note 48) and sub-groups headed by these subsidiaries:

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| China Railway No.1 Engineering Group Co., Ltd.                                  | 64                        | 64                        |
| China Railway No.2 Construction Co., Ltd.                                       | 25                        | 33                        |
| China Railway No.3 Engineering Group Co., Ltd.                                  | 51                        | 51                        |
| China Railway No.4 Engineering Group Co., Ltd.                                  | 195                       | 195                       |
| China Railway No.5 Engineering Group Co., Ltd.                                  | 82                        | 82                        |
| China Railway No.6 Engineering Group Co., Ltd.                                  | 12                        | 12                        |
| China Railway No.7 Engineering Group Co., Ltd.                                  | 7                         | 7                         |
| China Railway No.8 Engineering Group Co., Ltd.                                  | 26                        | 26                        |
| China Railway No.9 Engineering Group Co., Ltd.                                  | 48                        | 48                        |
| China Railway No.10 Engineering Group Co., Ltd.                                 | 26                        | 26                        |
| China Railway Major Bridge Engineering Group Co., Ltd.                          | 28                        | 28                        |
| China Railway Electrification Engineering Group Co., Ltd.                       | 76                        | 76                        |
| China Railway Wuhan Electrification Bureau Group Co., Ltd.                      | 5                         | 5                         |
| China Railway Construction Group Co., Ltd.                                      | 197                       | 321                       |
| China Railway Tunnel Group Co., Ltd.  | 18                        | 19                        |
| China Railway Trust   | 206                       | 206                       |
| China Railway No.6 Survey and Design Institute Group Co., Ltd.                  | 24                        | 24                        |
| China Railway Major Bridge Reconnaissance & Design Institute Co., Ltd.          | 2                         | 2                         |
| China Railway Hi-Tech Industry Co., Ltd.  | 6                         | 6                         |
| China Railway Changjiang Transport Design Group Co., Ltd.                       | 40                        | 40                        |
| China Railway Water Conservancy & Hydropower Planning and Design Group Co.,Ltd. | 5                         | 5                         |
| China Railway Yunnan Construction Investment Co., Ltd.                          | 203                       | 203                       |
| China Railway Urban Development Investment Group Co., Ltd.                      | -                         | 79                        |
| Total   | <b>1,346</b>              | 1,558                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 24. GOODWILL (Continued)

The basis of determining the recoverable amounts of the above subsidiaries and their major underlying assumptions are summarised below:

China Railway Trust, which is included in other businesses of the Group, is principally engaged in financial trust management. The recoverable amount in respect of this subsidiary has been determined based on fair value less costs of disposal. The key assumptions in determining the fair value is the publicly disclosed value ratio of comparable transactions and estimated costs of disposal. Management believes that any reasonably possible change in the assumptions would not cause the carrying amount of this subsidiary (including goodwill) to exceed its recoverable amount.

The recoverable amounts in respect of subsidiaries, which are principally engaged in infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, other than China Railway Trust, have been determined based on a value in use calculation. That calculation uses cash flow projections based on the most recent financial budgets of five years approved by management and an extrapolated financial budget for the following five years, and a discount rate of 6.40%-13.17%. One of the key assumptions in preparing cash flow projections is annual growth rates in revenue which vary among different subsidiaries for the most recent financial budgets period and a nil growth rate for the extrapolation period. The growth rates are based on the relevant industry growth forecasts and do not exceed the average long-term growth rate for the relevant industry. Another key assumption for the cash flow projections is the stable budgeted gross margin, which is determined based on the subsidiaries' past performance. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of the subsidiaries (including goodwill) to exceed its recoverable amounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVTOCI comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely payments of principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.
- Bills receivables where the contractual cash flows are achieved both by collecting contractual cash flows and selling financial assets.

(a) Financial assets at FVTOCI include the following:

|                             | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-----------------------------|---------------------------|---------------------------|
| <b>Non-current assets</b>   |                           |                           |
| Unlisted equity investments | 18,520                    | 20,568                    |
| Listed equity securities    |                           |                           |
| – Mainland China            | 12                        | 8                         |
| – Hong Kong                 | 370                       | 395                       |
|                             | <b>18,902</b>             | 20,971                    |
| <b>Current asset</b>        |                           |                           |
| Bills receivables           | 854                       | 752                       |

On disposal of these equity instruments, any related balance within the investment revaluation reserve is reclassified to retained earnings.

In 2025, the Group disposed certain listed equity securities and unlisted equity investments at a fair value of RMB4,313 million (2024: RMB74 million). The Group realised a gain of RMB51 million in 2025 (2024: the Group realised a loss of RMB5 million), which had already been included in other comprehensive income before disposal. The gain has been transferred to retained earnings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

#### (b) Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains were recognised in profit or loss and other comprehensive income:

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| Gains recognised in other comprehensive income   | 296                                     | 253                                     |
| (Gains)/losses reclassified from other comprehensive income to retained earnings upon disposal of equity investments at FVTOCI | (51)                                    | 5                                       |
| Dividends from equity instruments held at FVTOCI recognised in profit or loss in other income (Note 6):                        |   |   |
| – Related to instruments held at the end of the year   | 136                                     | 81                                      |
| – Related to instruments derecognised during the year  | 3                                       | 5                                       |

#### (c) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 46(b).

The loss allowance for debt instruments at FVTOCI as a result of applying the expected credit risk model is immaterial.

Financial assets at FVTOCI are denominated in the following currencies:

|       | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------|---------------------------|---------------------------|
| RMB   | 19,386                    | 21,328                    |
| HKD   | 370                       | 395                       |
| Total | 19,756                    | 21,723                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 26. OTHER FINANCIAL ASSETS AT AMORTISED COST

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| Debt investments  |                           |                           |
| – Short-term  | <b>24,228</b>             | 28,972                    |
| – Long-term   | <b>26,102</b>             | 29,086                    |
|   | <b>50,330</b>             | 58,058                    |
| Less: credit loss allowance for debt investments (a)        | <b>(6,109)</b>            | (5,547)                   |
| <b>Total other financial assets at amortised cost</b>       | <b>44,221</b>             | 52,511                    |
| Less: amount due within one year included in current assets | <b>(22,949)</b>           | (27,737)                  |
| Amount due after one year                                   | <b>21,272</b>             | 24,774                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 26. OTHER FINANCIAL ASSETS AT AMORTISED COST (Continued)

(a) Movements in impairment on debt instruments are as follows:

|                                | 12m ECL<br>RMB million | Lifetime ECL<br>(not credit-<br>impaired)<br>RMB million | Lifetime ECL<br>(credit-<br>impaired)<br>RMB million | Total<br>RMB million |
|--------------------------------|------------------------|--|--|----------------------|
| As at 1 January 2024           | 1,289                  | –  | 3,923  | 5,212                |
| – Transfer to credit-impaired  | (409)                  | –  | 409  | –                    |
| – Impairment losses recognised | 440                    | –  | 722  | 1,162                |
| – Impairment losses reversed   | (255)                  | –  | (59)   | (314)                |
| – Write-offs                   | –                      | –  | (513)  | (513)                |
| As at 31 December 2024         | <b>1,065</b>           | –  | <b>4,482</b>   | <b>5,547</b>         |
| – Transfer to credit-impaired  | <b>(42)</b>            | –  | <b>42</b>  | –                    |
| – Impairment losses recognised | <b>189</b>             | –  | <b>855</b>   | <b>1,044</b>         |
| – Impairment losses reversed   | <b>(202)</b>           | –  | <b>(195)</b>   | <b>(397)</b>         |
| Exchange adjustments           | –                      | –  | <b>(4)</b>   | <b>(4)</b>           |
| Others                         | <b>(81)</b>            | –  | –  | <b>(81)</b>          |
| As at 31 December 2025         | <b>929</b>             | –  | <b>5,180</b>   | <b>6,109</b>         |

(b) The other financial assets at amortised cost carry fixed-rate interests within a range of 1.63% to 15.00% (31 December 2024: 1.75% to 24.00%) per annum.

(c) As at 31 December 2025, other financial assets at amortised cost amounting to RMB4,759 million (31 December 2024: RMB6,437 million) are secured by property, plant and equipment, investment properties or guaranteed by a third party.

(d) Other financial assets at amortised cost are denominated in the following currencies:

|     | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-----|---------------------------|---------------------------|
| RMB | <b>49,772</b>             | 57,487                    |
| USD | <b>558</b>                | 571                       |
|     | <b>50,330</b>             | 58,058                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 27. PROPERTIES HELD FOR SALE/PROPERTIES UNDER DEVELOPMENT FOR SALE

## (a) Properties under development for sale

|                                      | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--------------------------------------|---|---|
| <b>As at 1 January</b>               | <b>119,460</b>                          | 109,066                                 |
| Additions                            | <b>33,484</b>                           | 42,719                                  |
| Acquisition of subsidiaries          | –                                       | 14,125                                  |
| Properties completed during the year | <b>(46,605)</b>                         | (46,283)                                |
| Others                               | <b>(890)</b>                            | (167)                                   |
|                                      | <b>105,449</b>                          | 119,460                                 |
| Less: provision for impairment       | <b>(1,430)</b>                          | (1,136)                                 |
| <b>As at 31 December</b>             | <b>104,019</b>                          | 118,324                                 |

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| Properties under development for sale comprise: |                           |                           |
| Land use rights                                 | <b>63,485</b>             | 100,243                   |
| Construction cost                               | <b>34,816</b>             | 12,587                    |
| Borrowing costs capitalised                     | <b>7,148</b>              | 6,630                     |
|   | <b>105,449</b>            | 119,460                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 27. PROPERTIES HELD FOR SALE/PROPERTIES UNDER DEVELOPMENT FOR SALE (Continued)

#### (b) Properties held for sale

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| <b>As at 1 January</b>                              | <b>60,194</b>                           | 59,413                                  |
| Additions   | <b>46,605</b>                           | 46,283                                  |
| Transfer from investment properties (Note 19)       | <b>2</b>                                | 79                                      |
| Acquisition of subsidiaries                         | –                                       | 632                                     |
| Properties sold during the year                     | <b>(40,147)</b>                         | (45,384)                                |
| Transfer to investment properties (Note 19)         | <b>(3,372)</b>                          | (434)                                   |
| Transfer to property, plant and equipment (Note 17) | <b>(54)</b>                             | (212)                                   |
| Disposal of subsidiaries                            | –                                       | (183)                                   |
|   | <b>63,228</b>                           | 60,194                                  |
| Less: provision for impairment                      | <b>(5,117)</b>                          | (5,175)                                 |
| <b>As at 31 December</b>                            | <b>58,111</b>                           | 55,019                                  |

Properties under development for sale amounting to RMB13,214 million (31 December 2024: RMB6,939 million) have been pledged to secure bank borrowings amounting to RMB6,079 million (31 December 2024: RMB5,444 million) (Note 39(c)).

No properties under development for sale have been pledged to secure trade and other payables (31 December 2024: Properties under development for sale amounting to RMB1,635 million have been pledged to secure trade and other payables to RMB267 million granted to the Group).

All of the properties under development are expected to be completed within the Group's normal operating cycle and are included under current assets.

The Group's properties held for sale and properties under development for sale at the end of the reporting period are stated at the lower of cost and net realisable value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 28. INVENTORIES

|                               | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------------------------------|---------------------------|---------------------------|
| Raw materials and consumables | 51,038                    | 49,910                    |
| Work in progress              | 11,776                    | 11,964                    |
| Finished goods                | 10,664                    | 10,498                    |
|                               | <b>73,478</b>             | 72,372                    |

## 29. TRADE AND OTHER RECEIVABLES

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 29. TRADE AND OTHER RECEIVABLES (Continued)

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

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

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

- (b) Trade receivables of RMB532 million (31 December 2024: RMB555 million) were pledged to secure borrowings amounting to RMB165 million (31 December 2024: RMB445 million) (Note 39(c)).
- (c) As at 31 December 2025, trade receivables of RMB71,513 million (31 December 2024: RMB89,480 million) and long-term trade receivables of RMB1,920 million (31 December 2024: RMB1,432 million) had been transferred to ABN and ABS in accordance with relevant issuance documents, and trade receivables of RMB30,411 million (31 December 2024: RMB17,036 million) and long-term trade receivables of RMB64 million (31 December 2024: RMB209 million) had been transferred to financial institutions in accordance with relevant non-recourse factoring agreements. Relevant trade receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.
- (d) As at 31 December 2025, bills receivables – bank acceptance and commercial acceptance notes of RMB741 million (31 December 2024: RMB1,122 million) were endorsed to suppliers, and RMB20 million (31 December 2024: RMB10 million) were discounted with banks. In the opinion of the Directors, as the counter party bears higher credit risk, such transactions did not qualify for derecognition. In addition, as at 31 December 2025, bills receivables – bank acceptance notes of RMB32 million (31 December 2024: RMB994 million) were endorsed to suppliers, and RMB32 million (31 December 2024: RMB1 million) were discounted with banks. Relevant bills receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 29. TRADE AND OTHER RECEIVABLES (Continued)

- (e) As at 31 December 2025, trade receivables net of credit loss allowance included in current assets, which were collectively assessed for impairment, are as follows:

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 29. TRADE AND OTHER RECEIVABLES (Continued)

- (e) As at 31 December 2025, trade receivables net of credit loss allowance included in current assets, which were collectively assessed for impairment, are as follows: (Continued)

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 29. TRADE AND OTHER RECEIVABLES (Continued)

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 29. TRADE AND OTHER RECEIVABLES (Continued)

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 29. TRADE AND OTHER RECEIVABLES (Continued)

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 30. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

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

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| <b>Contract assets</b>   |                           |                           |
| – Amounts due from contract customers for contract work and retentions | <b>468,048</b>            | 431,419                   |
| – Financial assets under concession arrangements (a)                   | <b>160,575</b>            | 162,495                   |
| – Primary land development   | <b>11,301</b>             | 10,180                    |
|  | <b>639,924</b>            | 604,094                   |
| Less: loss allowance (b)   | <b>(8,507)</b>            | (6,638)                   |
| Less: amount due after one year included in non-current assets         | <b>(264,572)</b>          | (264,336)                 |
| Amount due within one year included in current assets                  | <b>366,845</b>            | 333,120                   |
| <b>Contract liabilities</b>  |                           |                           |
| – Sale of properties   | <b>27,360</b>             | 38,492                    |
| – Infrastructure construction and engineering contracts                | <b>67,875</b>             | 66,897                    |
| – Amounts due to contract customers for contract work                  | <b>34,470</b>             | 32,762                    |
| – Sales of manufacturing products                                      | <b>10,031</b>             | 10,072                    |
| – Design and consulting services                                       | <b>6,712</b>              | 6,889                     |
| – Sales of materials   | <b>1,271</b>              | 1,908                     |
| – Others   | <b>3,152</b>              | 4,119                     |
| Total current contract liabilities                                     | <b>150,871</b>            | 161,139                   |

- (a) Financial assets under concession arrangements represent the contract assets recognised when the related projects were under construction or have been put into operations before the Group has an unconditional contractual right to receive cash from or at the direction of the granting authority.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

30. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS  
(Continued)

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

## (b) Loss allowance

As at 31 December 2025, the impairment of contract assets, which were collectively assessed, is determined as follows:

| Contract assets                                | Expected loss rate | Gross carrying amount<br>RMB million | Loss allowance<br>RMB million |
|--|--------------------|--------------------------------------|-------------------------------|
| Amounts due from customers for contract work   | 1.33%              | 339,261                              | 4,526                         |
| Retentions                                     | 0.54%              | 124,967                              | 673                           |
| Financial assets under concession arrangements | 0.51%              | 160,003                              | 814                           |
| Total  |                    | 624,231                              | 6,013                         |

The amount of individually impaired contract assets was RMB15,693 million (31 December 2024: RMB14,178 million) with the provision of RMB2,494 million (31 December 2024: RMB2,040 million).

Movements on loss allowance of contract assets are as follows:

|                                | Lifetime ECL<br>(not credit-impaired)<br>RMB million | Lifetime ECL<br>(credit-impaired)<br>RMB million | Total<br>RMB million |
|--------------------------------|--|--|----------------------|
| As at 1 January 2024           | 3,428  | 1,772  | 5,200                |
| – Transfer to credit-impaired  | (3)  | 3  | –                    |
| – Impairment losses recognised | 1,963  | 369  | 2,332                |
| – Impairment losses reversed   | (458)  | (104)  | (562)                |
| Others                         | (332)  | –  | (332)                |
| As at 31 December 2024         | 4,598  | 2,040  | 6,638                |
| – Impairment losses recognised | 2,992  | 832  | 3,824                |
| – Impairment losses reversed   | (1,590)  | (305)  | (1,895)              |
| Others                         | 13   | (73)   | (60)                 |
| As at 31 December 2025         | 6,013  | 2,494  | 8,507                |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 30. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS (Continued)

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

- (c) As at 31 December 2025, borrowings amounting to RMB46,689 million (31 December 2024: RMB45,128 million) are secured by contract assets with carrying amount of approximately RMB77,731 million (31 December 2024: RMB77,928 million) (Note 39(c)).
- (d) Contract liabilities of the Group are mainly contract liabilities associated with infrastructure construction contracts and advances for the sale of properties. The contract liabilities related to infrastructure construction contracts are generated when the customer's payments or the work performed billed exceed the revenue recognised based on the performance progress, and will be recognised as revenue according to the performance progress during the future performance period of the corresponding infrastructure construction contracts. Advance for the sale of properties are recognised as contract liabilities when the control of the property has not yet been transferred to the customer, and will be recognised as revenue when the control of the related property is transferred to the customer in the future.

### 31. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at FVTPL:

- Debt investments that do not qualify for measurement at either amortised cost or FVTOCI (Note 25);
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

(a) **Financial assets at FVTPL include the following:**

|                                | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--------------------------------|---------------------------|---------------------------|
| <b>Non-current assets</b>      |                           |                           |
| Equity instruments             |                           |                           |
| Unlisted equity investments    | 6,922                     | 8,542                     |
| <b>Debt instruments</b>        |                           |                           |
| Unlisted entrusted products    | 7,150                     | 5,695                     |
| Unlisted open-end equity funds | 3,264                     | 2,907                     |
| Others                         | 646                       | 821                       |
|                                | <b>11,060</b>             | 9,423                     |
|                                | <b>17,982</b>             | 17,965                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS  
(Continued)

(a) Financial assets at FVTPL include the following: (Continued)

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| <b>Current assets</b>                    |                           |                           |
| Equity instrument                        |                           |                           |
| Listed equity securities                 |                           |                           |
| – Mainland China                         | 963                       | 867                       |
| Debt instruments                         |                           |                           |
| Money-market securities investment funds | 8,215                     | 8,015                     |
| Unlisted open-end equity funds           | 2,284                     | 1,883                     |
| Unlisted entrusted products              | 8                         | 68                        |
| Others                                   | 1,328                     | 1,192                     |
|  | <b>11,835</b>             | 11,158                    |
| Derivative financial instrument          |                           |                           |
| – Option contract                        | 126                       | 130                       |
|  | <b>12,924</b>             | 12,155                    |
| <b>Total</b>                             | <b>30,906</b>             | 30,120                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 31. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) Financial liabilities at FVTPL include the following:

|                                | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--------------------------------|---------------------------|---------------------------|
| <b>Current liability</b>       |                           |                           |
| Unlisted open-end equity funds | <b>878</b>                | 665                       |

(c) Amounts recognised in profit or loss

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| Fair value losses on financial assets at FVTPL      | <b>(369)</b>                            | (143)                                   |
| Fair value losses on financial liabilities at FVTPL | <b>(1)</b>                              | (275)                                   |
|   | <b>(370)</b>                            | (418)                                   |

(d) Risk exposure and fair value measurements

Information about the Group's exposure to price risk is provided in Note 46(a).

For information about the methods and assumptions used in determining fair value refer to Note 46(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 32. RESTRICTED CASH AND TERM DEPOSIT WITH MATURITY OVER THREE MONTHS

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| Restricted bank deposits                             | <b>35,461</b>             | 32,984                    |
| Term deposits with initial term of over three months | <b>6,719</b>              | 17,593                    |
|  | <b>42,180</b>             | 50,577                    |

As at 31 December 2025, restricted bank deposits mainly included deposits for issuance of bank acceptance notes, performance bonds, letters of credit to customers, and mandatory reserve deposits placed with People's Bank of China.

Term deposits with initial term of over three months are excluded from cash and cash equivalents, as management are of the opinion that these term deposits are not readily convertible to known amounts of cash without significant risk of changes in value.

The carrying amount of restricted cash are denominated in the following currencies:

|        | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--------|---------------------------|---------------------------|
| RMB    | <b>36,701</b>             | 47,266                    |
| USD    | <b>4,922</b>              | 3,273                     |
| Others | <b>557</b>                | 38                        |
|        | <b>42,180</b>             | 50,577                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 33. CASH AND CASH EQUIVALENTS

|                           | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---------------------------|---------------------------|---------------------------|
| Cash on hand              | 29                        | 28                        |
| Bank deposits             | 211,293                   | 199,457                   |
| Cash and cash equivalents | <b>211,322</b>            | 199,485                   |

The maximum exposure to credit risk approximates the carrying amounts of the Group's cash and cash equivalents at the end of the reporting period.

The weighted average effective interest rate on bank deposits was 0.46% per annum as at 31 December 2025 (31 December 2024: 0.67% per annum).

The carrying amount of cash and cash equivalents are denominated in the following currencies:

|        | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--------|---------------------------|---------------------------|
| RMB    | 196,181                   | 181,894                   |
| USD    | 10,148                    | 13,051                    |
| Others | 4,993                     | 4,540                     |
|        | <b>211,322</b>            | 199,485                   |

The Group's cash and bank balances denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies is subject to the rules and regulation of foreign exchange control promulgated by the PRC Government.

As at 31 December 2025, the cash and cash equivalents balances denominated in currencies other than RMB was amounted to RMB2,222 million (31 December 2024: RMB1,761 million) deposited in banks in certain countries which are subject to foreign exchange control and the currencies are not freely convertible into other currencies or remitted out of those countries.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 34. SHARE CAPITAL AND PREMIUM

|   | Number of shares  |              | Nominal value       |                     |
|---|-------------------|--------------|---------------------|---------------------|
|   | 2025<br>'000      | 2024<br>'000 | 2025<br>RMB million | 2024<br>RMB million |
| A shares of RMB1.00 each                            |                   |              |                     |                     |
| At beginning of year                                | <b>20,534,475</b> | 20,544,806   | <b>20,535</b>       | 20,545              |
| Repurchase and cancellation of the restricted stock | <b>(55,579)</b>   | (10,331)     | <b>(56)</b>         | (10)                |
| At end of year                                      | <b>20,478,896</b> | 20,534,475   | <b>20,479</b>       | 20,535              |
| H shares of RMB1.00 each                            |                   |              |                     |                     |
| At beginning and end of year                        | <b>4,207,390</b>  | 4,207,390    | <b>4,207</b>        | 4,207               |
|   | <b>24,686,286</b> | 24,741,865   | <b>24,686</b>       | 24,742              |

As at 31 December 2025, the A Shares (20,478,896 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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 35. TREASURY SHARES

|  | Nominal value                           |   |
|--|---|---|
|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
| At beginning of year                         | 333                                     | 576                                     |
| Amount recorded in:                          |   |   |
| – Dividends declared during the year         | (10)                                    | (22)                                    |
| – Repurchase and cancel of restricted shares | (176)                                   | (32)                                    |
| – Impact of restricted shares unlocking      | (163)                                   | (189)                                   |
| – Repurchase of shares                       | 160                                     | –                                       |
| Others                                       | 16                                      | –                                       |
| At end of year                               | 160                                     | 333                                     |

|  | Number of<br>Shares<br>thousands | Number of<br>Shares<br>thousands |
|--|----------------------------------|----------------------------------|
| At beginning of year   | 111,067                          | 181,267                          |
| Repurchased and cancelled of restricted shares during the year | (55,579)                         | (10,331)                         |
| Unlocked restricted shares during the year                     | (55,424)                         | (59,869)                         |
| Repurchase of shares during the year                           | 28,812                           | –                                |
| At end of year   | 28,876                           | 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 35. TREASURY SHARES (Continued)

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.

On 29 September 2025, the Directors approved the repurchase and cancellation of 54,786,990 restricted shares. On 24 November 2025, the Company implemented the repurchase (reducing the repurchase obligation by RMB173 million) and cancelled 54,723,290 shares; the remaining 63,700 frozen shares were unfrozen and cancelled on 19 January 2026.

On 31 December 2025, the 2021 Restricted Share Incentive Scheme participants unlocked 3,973,988 restricted shares, resulting in the reduction of shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB12 million.

For the year ended 31 December 2025, the Company had cumulatively repurchased 28,812,000 shares through centralized bidding on the Shanghai Stock Exchange system, and the total transaction amount was RMB160 million.

### 36. 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 relevant 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 37. PERPETUAL NOTES

|                                  | 31/12/2024<br>RMB million | Additions<br>RMB million | Redemption/<br>Declaration<br>RMB million | 31/12/2025<br>RMB million |
|----------------------------------|---------------------------|--------------------------|---|---------------------------|
| Public medium notes              | 1,000                     | –                        | –   | <b>1,000</b>              |
| Public renewable corporate bonds | 49,290                    | 7,500                    | (4,996)                                   | <b>51,794</b>             |
| Total                            | 50,290                    | 7,500                    | (4,996)                                   | <b>52,794</b>             |

- (a) For the year ended 31 December 2025, the Company redeemed in cash four series of publicly offered perpetual corporate bonds (the “Perpetual Bonds”) issued on 15 June 2020, 26 September 2022, 12 October 2022 and 16 December 2022, respectively. The redemption amounts were RMB1.5 billion, RMB1 billion, RMB1 billion and RMB1.5 billion, respectively.

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 year ended 31 December 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 amounting to RMB2,741 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 38. TRADE AND OTHER PAYABLES

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 38. TRADE AND OTHER PAYABLES (Continued)

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

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 39. BORROWINGS

|                                     | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------------------------------------|---------------------------|---------------------------|
| Bank borrowings:                    |                           |                           |
| – Secured                           | <b>165,906</b>            | 145,510                   |
| – Unsecured                         | <b>316,936</b>            | 297,425                   |
|                                     | <b>482,842</b>            | 442,935                   |
| Long-term debentures, unsecured (a) | <b>58,842</b>             | 50,907                    |
| Other borrowings:                   |                           |                           |
| – Secured                           | <b>1,109</b>              | 1,048                     |
| – Unsecured                         | <b>25,371</b>             | 23,077                    |
|                                     | <b>26,480</b>             | 24,125                    |
|                                     | <b>568,164</b>            | 517,967                   |
| Analysed for reporting purposes:    |                           |                           |
| Non-current                         | <b>426,368</b>            | 373,736                   |
| Current                             | <b>141,796</b>            | 144,231                   |
|                                     | <b>568,164</b>            | 517,967                   |

- (a) On 22 May 2025, the Company issued the first tranche of medium-term notes with a principal amount of RMB3,000 million, with a maturity date of 23 May 2030. The interest rate is 1.92% per annum, payable annually in arrears.

On 4 June 2025, the Company issued the first tranche of corporate bonds with a principal amount of RMB3,000 million, with a maturity date of 6 June 2030. The interest rate is 1.92%, payable annually in arrears.

On 10 June 2025, the Company issued the second tranche of medium-term notes with a principal amount of RMB3,000 million, with a maturity date of 11 June 2030. The interest rate is 1.88%, payable annually in arrears.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 39. BORROWINGS (Continued)

(a) (Continued)

On 17 June 2025, the Company issued the second tranche of corporate bonds with a principal amount of RMB3,000 million, with a maturity date of 19 June 2030. The interest rate is 1.86%, payable annually in arrears.

On 10 January 2025, a subsidiary issued the first tranche of medium-term notes with a principal amount of RMB890 million, with a maturity date of 12 January 2027. The interest rate is 2.20% per annum, payable annually in arrears.

On 14 April 2025, a subsidiary issued the first tranche of medium-term notes with a principal amount of RMB250 million (category 1), with a maturity date of 16 April 2028. The interest rate is 2.17% per annum, payable annually in arrears.

On 9 June 2025, a subsidiary issued the first tranche of corporate bonds with a principal amount of RMB1,000 million, with a maturity date of 10 June 2030. The interest rate is 2.10%, payable annually in arrears.

On 12 June 2025, a subsidiary issued the first tranche of medium-term notes, including RMB1,000 million for category 1 and RMB500 million for category 2, with a maturity date of 13 June 2028 and 13 June 2030. The interest rates are 1.90% for category 1 and 2.05% for category 2 per annum, payable annually in arrears.

On 18 July 2025, a subsidiary issued the second tranche of medium-term notes with a principal amount of RMB750 million, with a maturity date of 21 July 2028. The interest rates are 1.86%, payable annually in arrears.

On 12 August 2025, a subsidiary issued the second tranche of medium-term notes with a principal amount of RMB1,500 million, with a maturity date of 13 August 2030. The interest rates are 2.05%, payable annually in arrears.

On 15 August 2025, a subsidiary issued the first tranche of corporate bonds with a principal amount of RMB1,000 million, with a maturity date of 15 August 2030. The annual interest rate is 2.05%, payable annually in arrears.

On 26 August 2025, a subsidiary issued the first tranche of medium-term notes with a principal amount of RMB1,000 million, with a maturity date of 27 August 2030. The interest rate is 2.02%, payable annually in arrears.

On 20 November 2025, a subsidiary issued the second tranche of medium-term notes with a principal amount of RMB870 million, with a maturity date of 21 November 2027. The annual interest rate is 2.08%, payable annually in arrears.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 39. BORROWINGS (Continued)

- (b) Bank borrowings carry interest at rates ranging from 1.00% to 10.17% (31 December 2024: 0.50% to 11.20%) per annum.

Long-term debentures were issued at fixed rates ranging from 1.86% to 4.00% (31 December 2024: 2.18% to 4.80%) per annum.

Other borrowings carry interest at rates ranging from 1.50% to 5.44% (31 December 2024: 2.65% to 4.80%) per annum.

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

|   | 31/12/2025                        |   | 31/12/2024                        |   |
|---|-----------------------------------|---|-----------------------------------|---|
|   | Secured borrowings<br>RMB million | Carrying amount of pledged assets and contract value of certain rights<br>RMB million | Secured borrowings<br>RMB million | Carrying amount of pledged assets and contract value of certain rights<br>RMB million |
| Property, plant and equipment (Note 17)         | 2,565                             | 4,849   | 2,065                             | 5,885   |
| Intangible assets (Note 20)                     | 110,825                           | 154,254   | 93,476                            | 146,304   |
| Properties under development for sale (Note 27) | 6,079                             | 13,214  | 5,444                             | 6,939   |
| Trade and bills receivables (Note 29)           | 165                               | 532   | 445                               | 555   |
| Contract assets (Note 30)                       | 46,689                            | 77,731  | 45,128                            | 77,928  |
| Mining assets (Note 21)                         | 504                               | 1,070   | –                                 | –   |
| Right-of-use assets (Note 18)                   | 188                               | 162   | –                                 | –   |
|   | <b>167,015</b>                    | <b>251,812</b>  | 146,558                           | 237,611   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 39. BORROWINGS (Continued)

- (d) The exposure of the Group's variable rate bank borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

|                  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|------------------|---------------------------|---------------------------|
| 6 months or less | <b>38,821</b>             | 28,858                    |
| 6 -12 months     | <b>287,797</b>            | 258,140                   |
| 1-5 years        | <b>18,919</b>             | 15,798                    |
|                  | <b>345,537</b>            | 302,796                   |

- (e) The Group's borrowings were repayable as follows:

|                       | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-----------------------|---------------------------|---------------------------|
| Within 1 year         | <b>141,796</b>            | 144,231                   |
| Between 1 and 2 years | <b>51,909</b>             | 51,914                    |
| Between 2 and 5 years | <b>101,656</b>            | 88,745                    |
| Over 5 years          | <b>272,803</b>            | 233,077                   |
|                       | <b>568,164</b>            | 517,967                   |

- (f) The carrying amounts of the borrowings are denominated in the following currencies:

|        | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--------|---------------------------|---------------------------|
| RMB    | <b>559,160</b>            | 508,459                   |
| USD    | <b>8,856</b>              | 9,330                     |
| Others | <b>148</b>                | 178                       |
|        | <b>568,164</b>            | 517,967                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 39. BORROWINGS (Continued)

- (g) The carrying amounts of current portion of long-term borrowings and short-term borrowings approximate their fair values, as the impact of discounting is not significant.

The carrying amounts and fair values of the non-current borrowings are as follows:

|                        | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|------------------------|---------------------------|---------------------------|
| Carrying amount        |                           |                           |
| – Bank borrowings      | <b>364,930</b>            | 325,646                   |
| – Long-term debentures | <b>45,572</b>             | 37,760                    |
| – Other borrowings     | <b>15,866</b>             | 10,330                    |
|                        | <b>426,368</b>            | 373,736                   |
| Fair value             |                           |                           |
| Level 3                |                           |                           |
| – Bank borrowings      | <b>356,923</b>            | 326,209                   |
| – Long-term debentures | <b>45,153</b>             | 37,809                    |
| – Other borrowings     | <b>15,919</b>             | 10,330                    |
|                        | <b>417,995</b>            | 374,348                   |

### 40. RETIREMENT BENEFIT OBLIGATIONS

#### (a) State-managed retirement plans and supplementary defined contribution retirement schemes

The employees of the group entities established in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. These PRC companies are required to contribute a certain percentage of payroll costs, depending on the applicable local regulations to the state-managed retirement plans. The Group also participates in supplementary defined contribution retirement schemes. The only obligation of these PRC companies with respect to the state-managed retirement plans and supplementary defined contribution retirement schemes is to make the specified contributions. The total costs charged to profit or loss during the year were RMB7,923 million and RMB1,414 million respectively (2024: RMB7,965 million and RMB2,035 million respectively).

As at 31 December 2025, the amounts due in respect of the reporting period not yet paid to the state-managed retirement plans and supplementary defined contribution retirement schemes, and included in trade and other payables were RMB266 million and RMB119 million respectively (31 December 2024: RMB267 million and RMB117 million respectively).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 40. RETIREMENT BENEFIT OBLIGATIONS (Continued)

#### (b) Retirement and other supplemental benefit obligations

The Group paid supplementary pension subsidies and other post-employment medical benefits to its retired employees in the PRC. In addition, the Group was committed to make periodic benefits payments to certain former employees who were terminated or early retired and the dependents of deceased employees in accordance with various employee benefit schemes adopted by the Group.

The plan exposes the Group to actuarial risks such as interest rate risk, benefit risk and average medical expense risk.

|                    |   |
|--------------------|---|
| Interest rate risk | The present value of the defined benefit plan obligations is calculated using a discount rate determined by reference to government bond yields. A decrease in the bond interest rate will increase the plan liability. |
|--------------------|---|

|              |   |
|--------------|---|
| Benefit risk | The present value of the defined benefit plan obligations is calculated by reference to the future benefits of plan participants. As such, an increase in the benefits of the plan participants will increase the plan liability. |
|--------------|---|

|                           |   |
|---------------------------|---|
| Average medical cost risk | The present value of the defined benefit plan obligations is calculated by reference to the future average medical cost of plan participants. As such, an increase in the average medical cost of the plan participants will increase the plan liability. |
|---------------------------|---|

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligations as at 31 December 2025 were carried out by an independent firm of actuaries, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch. The present value of the defined benefit obligations, and the related current service cost and past cost were measured using the Projected Unit Credit Method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 40. RETIREMENT BENEFIT OBLIGATIONS (Continued)

## (b) Retirement and other supplemental benefit obligations (Continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

|  | 2025         | 2024  |
|--|--------------|-------|
| Discount rate  | <b>1.75%</b> | 1.50% |
| Early-retiree's salary and supplemental benefit inflation rate | <b>4.50%</b> | 4.50% |
| Average medical cost growth rate                               | <b>8.00%</b> | 8.00% |

Amounts recognised in the consolidated statement of profit or loss and consolidated statement of comprehensive income in respect of these defined benefit plans are as follows:

|  | 2025<br>RMB million | 2024<br>RMB million |
|--|---------------------|---------------------|
| Net finance costs ( <i>Note 10</i> )                                   | <b>25</b>           | 48                  |
| Service costs  | <b>(3)</b>          | (53)                |
| Components of defined benefit costs recognised in profit or loss       | <b>22</b>           | (5)                 |
| Remeasurement on the net defined benefit obligations:                  |                     |                     |
| Actuarial (gains)/losses arising from experience adjustments           | <b>(9)</b>          | 104                 |
| Components of defined benefit recognised in other comprehensive income | <b>(9)</b>          | 104                 |
| Total  | <b>13</b>           | 99                  |

The current service cost and the net interest expense for the year are included in profit or loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 40. RETIREMENT BENEFIT OBLIGATIONS (Continued)

#### (b) Retirement and other supplemental benefit obligations (Continued)

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

|  | 2025<br>RMB million | 2024<br>RMB million |
|--|---------------------|---------------------|
| Present value of unfunded defined benefit obligations  | <b>1,665</b>        | 1,888               |
| Net liability arising from defined benefit obligations | <b>1,665</b>        | 1,888               |
| Less: amount due within one year                       | <b>(215)</b>        | (234)               |
| Amount due after one year                              | <b>1,450</b>        | 1,654               |

Movements in the present value of the retirement and other supplemental benefit obligations in the current year were as follows:

|  | 2025<br>RMB million | 2024<br>RMB million |
|--|---------------------|---------------------|
| Opening defined benefit obligations                          | <b>1,888</b>        | 2,049               |
| Finance costs  | <b>25</b>           | 48                  |
| Service costs  | <b>(3)</b>          | (53)                |
| Remeasurement losses:  |                     |                     |
| Actuarial (gains)/losses arising from experience adjustments | <b>(9)</b>          | 104                 |
| Benefits paid  | <b>(236)</b>        | (260)               |
| Closing defined benefit obligations                          | <b>1,665</b>        | 1,888               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 40. RETIREMENT BENEFIT OBLIGATIONS (Continued)

#### (b) Retirement and other supplemental benefit obligations (Continued)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, benefit inflation rate and the average medical cost growth rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate on benefit obligation increases or decreases by 0.25 percentage point, the defined benefit obligation would have been decreased by RMB28 million or increased by RMB29 million (2024: decreased by RMB33 million or increased by RMB34 million).
- If the benefit inflation rate increases or decreases by 1 percentage point, the defined benefit obligation would have been increased by RMB62 million or decreased by RMB54 million (2024: increased by RMB74 million or decreased by RMB64 million).
- If the average medical cost growth rate increases or decreases by 1 percentage point, the defined benefit obligation would have been increased by RMB2 million or decreased by RMB2 million (2024: increased by RMB3 million or decreased by RMB2 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligations liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average expected future lifetime of the defined benefit obligation as at 31 December 2025 is 8.4 years (2024: 9.0 years). This number can be analysed as follows:

- civil retirees: 2.9 years (2024: 3.1 years);
- retired members: 8.3 years (2024: 8.8 years); and
- beneficiaries: 9.2 years (2024: 9.7 years).

The duration of the defined benefit obligation as at 31 December 2025 is 6.8 years (2024: 7.1 years).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 41. DEFERRED TAXATION

(a) The analysis of deferred tax assets and deferred tax liabilities is as follows:

|                                | 2025                                  |  | 2024                                  |  |
|--------------------------------|---------------------------------------|--|---------------------------------------|--|
|                                | Deferred<br>tax assets<br>RMB million | Deferred<br>tax liabilities<br>RMB million | Deferred<br>tax assets<br>RMB million | Deferred<br>tax liabilities<br>RMB million |
| The balances before offsetting | <b>20,531</b>                         | <b>(8,834)</b>                             | 17,841                                | (7,337)                                    |
| Offsetting                     | <b>(1,939)</b>                        | <b>1,939</b>                               | (2,625)                               | 2,625                                      |
|                                | <b>18,592</b>                         | <b>(6,895)</b>                             | 15,216                                | (4,712)                                    |

(b) The gross movements on the deferred income tax account is as follows:

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| At 31 December in prior year  | <b>10,504</b>                           | 9,672                                   |
| Recognised in the income statement ( <i>Note 11</i> )                     | <b>1,226</b>                            | 1,008                                   |
| Recognised in other comprehensive income                                  | <b>(60)</b>                             | (36)                                    |
| Effect of change in tax rate charged to profit or loss ( <i>Note 11</i> ) | <b>24</b>                               | 13                                      |
| Acquisition of subsidiaries   | <b>2</b>                                | 5                                       |
| Disposal of subsidiaries  | <b>–</b>                                | (155)                                   |
| Exchange differences  | <b>1</b>                                | (3)                                     |
| At 31 December  | <b>11,697</b>                           | 10,504                                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 41. DEFERRED TAXATION (Continued)

- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

## Deferred Tax Liabilities

|  | Financial<br>assets/<br>liabilities<br>measured at<br>fair value<br>RMB million | Unrealised<br>losses from<br>intercompany<br>transactions<br>RMB million | Depreciation<br>and<br>amortisation<br>RMB million | Acquisition<br>of<br>subsidiaries<br>RMB million | Right-of-use<br>assets<br>RMB million | Others<br>RMB million | Total<br>RMBmillion |
|--|---|--|--|--|---------------------------------------|-----------------------|---------------------|
| At 1 January 2024  | (648)   | (14)   | (214)  | (808)  | (303)                                 | (3,215)               | (5,202)             |
| Credited/(charged) to the<br>consolidated statement of<br>profit or loss | 13  | (6)  | (11)   | 14   | (502)                                 | (1,210)               | (1,702)             |
| (Charged)/credited to other<br>comprehensive income                      | (35)  | -  | -  | -  | -                                     | 54                    | 19                  |
| Acquisition of subsidiaries  | 233   | -  | -  | (55)   | (8)                                   | (762)                 | (592)               |
| Disposal of subsidiaries   | -   | -  | (11)   | 25   | -                                     | 185                   | 199                 |
| Effect of change in tax rate<br>charged to profit or loss                | -   | -  | -  | -  | (2)                                   | (1)                   | (3)                 |
| Exchange differences   | -   | -  | -  | -  | -                                     | (56)                  | (56)                |
| <b>At 31 December 2024</b>   | <b>(437)</b>  | <b>(20)</b>  | <b>(236)</b>                                       | <b>(824)</b>                                     | <b>(815)</b>                          | <b>(5,005)</b>        | <b>(7,337)</b>      |
| At 1 January 2025  | <b>(437)</b>  | <b>(20)</b>  | <b>(236)</b>                                       | <b>(824)</b>                                     | <b>(815)</b>                          | <b>(5,005)</b>        | <b>(7,337)</b>      |
| Credited/(charged) to the<br>consolidated statement of<br>profit or loss | <b>121</b>  | <b>(13)</b>  | <b>35</b>  | <b>24</b>  | <b>(26)</b>                           | <b>(1,543)</b>        | <b>(1,402)</b>      |
| Charged to other<br>comprehensive income                                 | <b>(36)</b>   | -  | -  | -  | -                                     | <b>(49)</b>           | <b>(85)</b>         |
| Acquisition of subsidiaries  | -   | -  | -  | <b>2</b>   | -                                     | -                     | <b>2</b>            |
| Effect of change in tax rate<br>credited/(charged) to<br>profit or loss  | <b>1</b>  | -  | <b>(1)</b>   | -  | <b>(4)</b>                            | <b>(9)</b>            | <b>(13)</b>         |
| Exchange differences   | -   | -  | <b>1</b>   | -  | -                                     | -                     | <b>1</b>            |
| <b>At 31 December 2025</b>   | <b>(351)</b>  | <b>(33)</b>  | <b>(201)</b>                                       | <b>(798)</b>                                     | <b>(845)</b>                          | <b>(6,606)</b>        | <b>(8,834)</b>      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 41. DEFERRED TAXATION (Continued)

- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:(Continued)

#### Deferred Tax Assets:

|  | Provision for<br>impairment<br>of assets<br>RMB million | Financial<br>assets/<br>liabilities<br>measured at<br>fair value<br>RMB million | Provision for<br>employee<br>benefits<br>RMB million | Lease<br>liabilities<br>RMB million | Tax losses<br>RMB million | Unrealised<br>profit from<br>intercompany<br>transactions<br>RMB million | Others<br>RMB million | Total<br>RMB million |
|--|---|---|--|-------------------------------------|---------------------------|--|-----------------------|----------------------|
| At 1 January 2024  | 5,338   | 574   | 316  | 287                                 | 3,754                     | 3,140  | 1,465                 | 14,874               |
| Credited/(charged) to the<br>consolidated statement of<br>profit or loss | 1,214   | 160   | (33)   | 505                                 | 737                       | 61   | 66                    | 2,710                |
| (Charged)/credited to other<br>comprehensive income                      | -   | (63)  | 16   | -                                   | -                         | -  | (8)                   | (55)                 |
| Acquisition of subsidiaries  | 208   | (84)  | 54   | 3                                   | 79                        | (123)  | 460                   | 597                  |
| Disposal of subsidiaries   | (115)   | -   | -  | -                                   | (202)                     | -  | (37)                  | (354)                |
| Effect of change in tax rate credited<br>to profit or loss               | 6   | -   | 9  | 1                                   | -                         | -  | -                     | 16                   |
| Exchange differences   | -   | -   | -  | -                                   | -                         | -  | 53                    | 53                   |
| <b>At 31 December 2024</b>   | <b>6,651</b>  | <b>587</b>  | <b>362</b>   | <b>796</b>                          | <b>4,368</b>              | <b>3,078</b>   | <b>1,999</b>          | <b>17,841</b>        |
| At 1 January 2025  | <b>6,651</b>  | <b>587</b>  | <b>362</b>   | <b>796</b>                          | <b>4,368</b>              | <b>3,078</b>   | <b>1,999</b>          | <b>17,841</b>        |
| Credited/(charged) to the<br>consolidated statement of<br>profit or loss | <b>1,357</b>  | <b>129</b>  | <b>(33)</b>  | <b>95</b>                           | <b>388</b>                | <b>485</b>   | <b>207</b>            | <b>2,628</b>         |
| (Charged)/credited to other<br>comprehensive income                      | -   | <b>(5)</b>  | -  | -                                   | -                         | -  | <b>30</b>             | <b>25</b>            |
| Effect of change in tax rate credited<br>to profit or loss               | <b>26</b>   | -   | <b>7</b>   | <b>4</b>                            | -                         | -  | -                     | <b>37</b>            |
| <b>At 31 December 2025</b>   | <b>8,034</b>  | <b>711</b>  | <b>336</b>   | <b>895</b>                          | <b>4,756</b>              | <b>3,563</b>   | <b>2,236</b>          | <b>20,531</b>        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 41. DEFERRED TAXATION (Continued)

- (d) Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2025, the Group did not recognise deferred tax assets in respect of tax losses amounting to RMB34,802 million (31 December 2024: RMB27,851 million) as the Directors believes it is more likely than not that such tax losses would not be utilised before they expire.

As at 31 December 2025, the tax losses with no deferred tax assets recognised carried forward are as follows:

|           | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-----------|---------------------------|---------------------------|
| 2025      | –                         | 1,530                     |
| 2026      | <b>3,082</b>              | 3,396                     |
| 2027      | <b>5,098</b>              | 5,198                     |
| 2028      | <b>7,789</b>              | 7,839                     |
| 2029      | <b>8,841</b>              | 9,237                     |
| 2030-2034 | <b>9,992</b>              | 651                       |
|           | <b>34,802</b>             | 27,851                    |

- (e) As at 31 December 2025, the Group did not recognise deferred tax assets in respect of deductible temporary differences amounting to RMB28,465 million (31 December 2024: RMB30,450 million) as the Directors believe it is not probable that such deductible temporary differences would be utilised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 42. CASH FLOW INFORMATION

#### (a) Cash generated from operations

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| Profit for the year   | <b>26,347</b>                           | 30,758                                  |
| Adjustments for:  |   |   |
| – Income tax expense  | <b>8,104</b>                            | 9,855                                   |
| – Interest income   | <b>(5,295)</b>                          | (6,247)                                 |
| – Interest income from other financial assets at amortised cost | <b>(1,274)</b>                          | (918)                                   |
| – Dividends from financial assets at FVTPL                      | <b>(383)</b>                            | (254)                                   |
| – Dividends from financial assets at FVTOCI                     | <b>(139)</b>                            | (80)                                    |
| – (Gains)/losses on disposal and/or write-off of:               |   |   |
| Property, plant and equipment                                   | <b>(8)</b>                              | (223)                                   |
| Others  | <b>(125)</b>                            | (245)                                   |
| Interests in associates   | <b>44</b>                               | 21                                      |
| Interests in subsidiaries                                       | <b>114</b>                              | (661)                                   |
| Interests in joint ventures                                     | <b>(1,612)</b>                          | (44)                                    |
| Financial assets/liabilities at FVTPL                           | <b>(18)</b>                             | 39                                      |
| – Foreign exchange losses/(gains), net                          | <b>65</b>                               | (97)                                    |
| – Fair value losses on financial assets/liabilities at FVTPL    | <b>370</b>                              | 418                                     |
| – Net impairment losses recognised on:                          |   |   |
| Trade and other receivables (excluding advance to suppliers)    | <b>3,853</b>                            | 4,180                                   |
| Other financial assets at amortised cost                        | <b>647</b>                              | 848                                     |
| Contract assets   | <b>1,929</b>                            | 1,770                                   |
| – Impairment losses recognised on:                              |   |   |
| Property, plant and equipment                                   | <b>74</b>                               | 64                                      |
| Intangible assets   | <b>44</b>                               | –                                       |
| Inventories   | <b>(9)</b>                              | 65                                      |
| Properties under development for sale                           | <b>425</b>                              | 301                                     |
| Properties held for sale  | <b>1,188</b>                            | 908                                     |
| Goodwill  | <b>212</b>                              | 199                                     |
| Mining assets   | <b>–</b>                                | 22                                      |
| Advance to suppliers  | <b>42</b>                               | 8                                       |
| Investment properties   | <b>131</b>                              | 38                                      |
| – Increase in provision   | <b>750</b>                              | 216                                     |
| – Interest expenses   | <b>14,071</b>                           | 12,766                                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 42. CASH FLOW INFORMATION (Continued)

## (a) Cash generated from operations (Continued)

|  | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|--|---|---|
| – Losses from derecognition of financial assets at amortised cost  | 4,393                                   | 5,145                                   |
| – Share of losses of joint ventures  | 244                                     | 724                                     |
| – Share of profits of associates   | (3,278)                                 | (3,134)                                 |
| – Charge to retirement benefit obligations   | 25                                      | 48                                      |
| – Depreciation and amortisation  | 20,335                                  | 15,507                                  |
| Operating cash flows before movements in working capital   | 71,266                                  | 71,997                                  |
| Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation): |   |   |
| – Increase in other prepayments  | (304)                                   | (384)                                   |
| – Decrease in properties held for sale   | 1,811                                   | 489                                     |
| – Decrease in properties under development for sale  | 4,852                                   | 2,176                                   |
| – Decrease/(increase) in inventories   | 9                                       | (14,040)                                |
| – Increase in trade and other receivables  | (136,171)                               | (163,953)                               |
| – Decrease in retirement and other supplemental benefit obligations  | (236)                                   | (288)                                   |
| – Increase in trade and other payables   | 140,601                                 | 245,441                                 |
| – (Increase)/decrease in other financial assets at amortised cost  | (1,124)                                 | 387                                     |
| – Increase in payables arising from consolidated structured entities   | 598                                     | 1,156                                   |
| – Increase in contract assets  | (31,234)                                | (114,599)                               |
| – (Decrease)/increase in contract liabilities  | (14,244)                                | 22,547                                  |
| – (Decrease)/increase in provisions  | (177)                                   | 524                                     |
| – Increase in government grants  | 255                                     | 207                                     |
| – Decrease/(increase) in financial assets at FVTPL   | 118                                     | (422)                                   |
| – Decrease/(increase) in deposits in CREC Finance  | 5,018                                   | (13,619)                                |
| – (Increase)/decrease in restricted bank deposits  | (2,477)                                 | 2,093                                   |
| <b>Cash generated from operations</b>  | <b>38,561</b>                           | <b>39,712</b>                           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 42. CASH FLOW INFORMATION (Continued)

#### (b) Significant non-cash investing and financing activities

|                                     | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|-------------------------------------|---|---|
| Bills receivables paid for purchase | 1,299                                   | 2,228                                   |
| Additions of right-of-use assets    | 6,011                                   | 4,818                                   |
| Non-cash asset settlement of debt   | 106                                     | 219                                     |
| Total                               | <b>7,416</b>                            | 7,265                                   |

#### (c) Net debt reconciliation

This section sets out an analysis of net debts for the year presented.

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| Cash and cash equivalents ( <i>Note 33</i> )  | 211,322                   | 199,485                   |
| Restricted cash and term deposit with maturity over three months ( <i>Note 32</i> ) | 42,180                    | 50,577                    |
| Financial assets at FVTPL – current ( <i>Note 31</i> )                              | 12,924                    | 12,155                    |
| Borrowings – repayable within one year ( <i>Note 39</i> )                           | <b>(141,796)</b>          | (144,231)                 |
| Borrowings – repayable after one year ( <i>Note 39</i> )                            | <b>(426,368)</b>          | (373,736)                 |
| Net debt  | <b>(301,738)</b>          | (255,750)                 |
| Cash and financial assets at FVTPL  | 266,426                   | 262,217                   |
| Gross debt – fixed interest rates   | <b>(222,627)</b>          | (215,171)                 |
| Gross debt – variable interest rates  | <b>(345,537)</b>          | (302,796)                 |
| Net debt  | <b>(301,738)</b>          | (255,750)                 |

No change in financial assets are included in cash flows of financing activities during the year of 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 42. CASH FLOW INFORMATION (Continued)

## (c) Net debt reconciliation (Continued)

The table below details changes in the Group's (i) other assets and liabilities and (ii) liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

|                             | Bank<br>borrowings<br>RMB million | Long-term<br>debentures<br>RMB million | Other<br>borrowings<br>RMB million | Lease<br>liabilities<br>RMB million | Total<br>RMB million |
|-----------------------------|-----------------------------------|--|------------------------------------|-------------------------------------|----------------------|
| At 31 December 2024         | 442,935                           | 50,907                                 | 24,125                             | 4,152                               | 522,119              |
| Financing cash flows        | 34,321                            | 7,990                                  | 2,419                              | (5,068)                             | 39,662               |
| Acquisition of a subsidiary | 5,581                             | –                                      | –                                  | –                                   | 5,581                |
| New leases entered          | –                                 | –                                      | –                                  | 6,011                               | 6,011                |
| Other changes               | 5                                 | (55)                                   | (64)                               | (391)                               | (505)                |
| <b>At 31 December 2025</b>  | <b>482,842</b>                    | <b>58,842</b>                          | <b>26,480</b>                      | <b>4,704</b>                        | <b>572,868</b>       |

## (d) Information of supplier finance arrangements

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million | 01/01/2024<br>RMB million |
|---|---------------------------|---------------------------|---------------------------|
| <b>Carrying amount of the financial liabilities that are subject to supplier finance arrangements</b> |                           |                           |                           |
| Presented as part of "Trade and other payables"   | <b>165,309</b>            | 126,986                   | 99,852                    |
| – Of which suppliers have already received payment from the finance provider                          | <b>120,598</b>            | 75,560                    | N/A                       |
| Presented as part of "Borrowings" (Note 39)   | <b>6,871</b>              | 7,803                     | 6,097                     |
| – Of which suppliers have already received payment from the finance provider                          | <b>6,871</b>              | 7,803                     | N/A                       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 42. CASH FLOW INFORMATION (Continued)

#### (d) Information of supplier finance arrangements (Continued)

|  | 31/12/2025<br>Days | 31/12/2024<br>Days | 01/01/2024<br>Days |
|--|--------------------|--------------------|--------------------|
| Range of payment due dates<br>For liabilities presented as part of<br>"Trade and other payables" |                    |                    |                    |
| – Liabilities that are part of supplier<br>finance arrangements                                  | <b>180-360</b>     | 180-360            | N/A                |
| – Comparable trade payables that are not<br>part of supplier finance arrangements                | <b>180-360</b>     | 180-360            | N/A                |
| For liabilities presented as part of<br>"Borrowings":  |                    |                    |                    |
| – Liabilities that are part of supplier<br>finance arrangements                                  | <b>360-1,080</b>   | 360-1,080          | N/A                |
| – Comparable trade payables that are not<br>part of supplier finance arrangements                | <b>180-360</b>     | 180-360            | N/A                |

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the year, borrowings under supplier finance arrangement of RMB6,871 million (2024: RMB7,803 million) represent the payments to the suppliers by the relevant banks directly. There were no other material non-cash changes in these liabilities.

### 43. CONTINGENT LIABILITIES

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| Pending lawsuits ( <i>note</i> )             |                           |                           |
| – arising in the ordinary course of business | <b>1,753</b>              | 2,576                     |

Note:

The Group has been involved in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when the management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice. No provision has been made for those pending lawsuits where the management considered that the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. The aggregate sum of those unprovided claims is disclosed in the table above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 44. COMMITMENTS

#### (a) Capital expenditure

Significant capital expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

|                               | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------------------------------|---------------------------|---------------------------|
| Property, plant and equipment | <b>461</b>                | 172                       |

#### (b) Investment commitment

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

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| Investment commitment to associates, joint ventures and others | <b>25,826</b>             | 38,012                    |

#### (c) Operating Lease Commitments – as lessor

As the lessor, the Group's undiscounted amount of lease receivables after the balance sheet date are summarized as follows:

|   | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|---|---------------------------|---------------------------|
| No later than 1 year                        | <b>294</b>                | 1,677                     |
| Later than 1 year and no later than 5 years | <b>384</b>                | 3,137                     |
| Later than 5 years                          | <b>132</b>                | 194                       |
|   | <b>810</b>                | 5,008                     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 45. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets. The Group aims to maintain the asset-liability ratio at a reasonable level.

|                       | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-----------------------|---------------------------|---------------------------|
| Total liabilities     | <b>1,929,982</b>          | 1,746,274                 |
| Total assets          | <b>2,470,432</b>          | 2,256,266                 |
| Asset-liability ratio | <b>78.12%</b>             | 77.40%                    |

### 46. FINANCIAL INSTRUMENTS

#### a. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group identifies, evaluates and uses derivative financial instruments to hedge certain risk exposures.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### a. Financial risk management objectives and policies (Continued)

##### Market risk

##### (i) Currency risk

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

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

Details of the Group's other financial assets at amortised cost, trade and other receivables, restricted cash and term deposit with maturity over three months, cash and cash equivalents, trade and other payables and borrowings as at 31 December 2025, denominated in foreign currencies, mainly United States Dollars ("USD"), are disclosed in Notes 26, 29, 32, 33, 38 and 39 respectively.

The management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

As at 31 December 2025, if RMB had strengthened/weakened by 2% against USD with all other variables held constant, post-tax profit for the year would have been approximately RMB153 million lower/higher (2024: 1%, RMB68 million lower/higher), mainly as a result of foreign exchange gains/losses on translation of USD-denominated cash and cash equivalents, trade and other receivables, other financial assets at amortised cost, restricted cash, borrowings, and trade and other payables.

##### Value at Risk (VaR) analysis

##### (i) Interest rate risk

The fair value interest rate risk relates primarily to the Group's fixed-rate borrowings and other financial assets at amortised cost. The cash flow interest rate risk of the Group relates primarily to floating-rate bank borrowing and unlisted debt related entrusted products classified in the balance sheet at FVTPL. The management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed rate deposits are short-term. During 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in RMB and USD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### a. Financial risk management objectives and policies (Continued)

##### Value at Risk (VaR) analysis (Continued)

##### (i) Interest rate risk (Continued)

The Group's sensitivity to interest rate risk is prepared assuming the amount of floating-rate borrowings at the end of the reporting period were outstanding and the amount of unlisted debt related entrusted products classified in the balance sheet at FVTPL at the end of the reporting period retained for the whole year. Bank balances are excluded from sensitivity analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

|                                    | Year ended<br>31/12/2025 | Year ended<br>31/12/2024 |
|------------------------------------|--------------------------|--------------------------|
| Increase/decrease in interest rate | <b>25 basis points</b>   | 25 basis points          |

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| (Decrease)/increase in post-tax profit for the year |   |   |
| – as a result of increase in interest rate          | <b>(627)</b>                            | (548)                                   |
| – as a result of decrease in interest rate          | <b>627</b>                              | 548                                     |

##### (ii) Other price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as at FVTPL or at FVTOCI and measured by reference to quoted prices.

The Group currently does not have a policy to hedge the securities price risk. However, the management closely monitors such risk by maintaining a diversified portfolio of investments with different risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. FINANCIAL INSTRUMENTS (Continued)

## a. Financial risk management objectives and policies (Continued)

## Value at Risk (VaR) analysis (Continued)

## (ii) Other price risk (Continued)

The Group's sensitivity to equity price risk on the financial assets and liabilities at FVTPL and at FVTOCI at the end of the reporting period while all other variables were held constant is as follows:

|   | Year ended<br>31/12/2025 | Year ended<br>31/12/2024 |
|---|--------------------------|--------------------------|
| Increase/(decrease) in quoted price in open markets | 15%                      | 14%                      |

|   | Year ended<br>31/12/2025<br>RMB million | Year ended<br>31/12/2024<br>RMB million |
|---|---|---|
| Increase/(decrease) in post-tax profit for the year |   |   |
| – as a result of increase in equity price           | 108                                     | 91                                      |
| – as a result of decrease in equity price           | (108)                                   | (91)                                    |
| Increase/(decrease) in other comprehensive income   |   |   |
| – as a result of increase in equity price           | 43                                      | 42                                      |
| – as a result of decrease in equity price           | (43)                                    | (42)                                    |

## Credit risk and impairment assessment

Credit risk arises from cash and bank balances, trade and other receivables except for prepayments, contract assets, debt investments carried at amortised cost and FVTOCI, and the nominal value of the guarantees provided on liabilities.

In order to minimise the credit risk, the management of the Group has delegated the teams responsible for assessment of the credit quality of the customer, taking into account its financial position, past experience and other factors and determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover long aged debts. In addition, the Group reviews the recoverable amount of each material individual debt at the end of the reporting period to ensure that adequate expected credit losses are made for irrecoverable amounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### a. Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

##### (i) Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- trade and other receivables
- contract assets
- debt investments carried at amortised cost, and
- debt investments carried at FVTOCI.

The Group holds substantially all of bank deposits in major financial institutions located in the PRC and certain overseas banks with proper credit ratings. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

##### Trade receivables and contract assets

For trade receivables and contract assets which have impaired, the Group assessed individually and provided for credit losses allowance. For other trade receivables and contract assets, the trade receivables and contract assets were grouped by reference to the credit risk characteristics and assessed for credit losses allowance through exposure at default and the lifetime expected credit loss rates. When measuring expected credit loss, the Group considers its own credit loss incurred in the past, and adjusts by taking into consideration current conditions and forward looking factors. In assessing forward-looking information, the Group considers factors mainly including macroeconomic indicators, economic scenarios and weights.

##### Debt investments

The Group assesses the loss allowance for debt investments at amortised costs and FVTOCI based on expected credit loss model. The management assesses whether the credit risk of debt investments have increased significantly since their initial recognition, and apply a three-stage impairment model to calculate their expected credit loss. For debt investments classified into stages 1 for which credit risk has not increased significantly since initial recognition, the management assesses loss allowance at an amount equal to 12-month expected credit loss. For debt investments classified into stages 2 for which credit risk has increased significantly since initial recognition but that are not credit-impaired, and debt investments classified into stages 3 that are credit-impaired since initial recognition, the management assesses loss allowance at an amount equal to lifetime expected credit loss. When measuring expected credit loss, the Group considers its own credit loss incurred in the past, and adjusts by taking into consideration current conditions and forward looking factors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. FINANCIAL INSTRUMENTS (Continued)

## a. Financial risk management objectives and policies (Continued)

**Credit risk and impairment assessment (Continued)***(ii) Financial guarantees and shortfall payments*

The Group has provided guarantees to banks in respect of banking facilities utilised by certain related companies and third parties.

The Company has provided shortfall payments given to the senior tranches in respect of ABN & ABS issued by the subsidiaries of the Company.

The maximum exposure of these financial guarantees and shortfall payments to the Group is as follows:

|   | 2025          |               | 2024          |               |
|---|---------------|---------------|---------------|---------------|
|   | RMB million   | Expiry period | RMB million   | Expiry period |
| Guarantees given to banks in respect of banking facilities to:          |               |               |               |               |
| Joint ventures  | 5,394         | 2028-2039     | 5,771         | 2025-2039     |
| Associates  | 191           | 2026-2045     | 730           | 2025-2045     |
| Property purchasers   | 16,791        | 2026-2030     | 27,641        | 2025-2030     |
| Shortfall payments given to the senior tranches in respect of ABN & ABS | 20,316        | 2026-2036     | 49,470        | 2025-2036     |
|   | <b>42,692</b> |               | <b>83,612</b> |               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### a. Financial risk management objectives and policies (Continued)

##### Liquidity risk

Liquidity risk encompasses the risk that the Group cannot meet its financial obligations in full.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities to meet obligations when due. Due to capital intensive nature of the Group's business, the Group ensures that it maintains flexibility through keeping sufficient cash and cash equivalents and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and bank and other borrowings.

The table below analyses the Group's non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of cash flows into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The spot rate as at the end of the reporting period is used for the cash flow calculation in relation to the amounts settled with foreign currencies. The amounts disclosed in the table are the contractual undiscounted cash flows. To the extent that interest cash flows are floating-rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

##### Liquidity tables

|   | On<br>demand or<br>Less than<br>1 year<br>RMB million | 1-2 years<br>RMB million | 2-5 years<br>RMB million | >5 years<br>RMB million | Total<br>undiscounted<br>cash flows<br>RMB million | Carrying<br>amount at<br>31/12/2025<br>RMB million |
|---|---|--------------------------|--------------------------|-------------------------|--|--|
| <b>2025</b>   |   |                          |                          |                         |  |  |
| Trade and other payables<br>(excluding statutory and<br>non-financial liabilities)<br>(Note 38) | 1,026,371   | 47,063                   | 22,277                   | 20,109                  | 1,115,820  | 1,112,485  |
| Borrowings (Note 39)  | 155,038   | 63,268                   | 129,583                  | 349,587                 | 697,476  | 568,164  |
| Lease liabilities   | 1,301   | 1,898                    | 1,279                    | 400                     | 4,878  | 4,704  |
| Financial guarantee<br>contracts and shortfall<br>payments                                      | 42,692  | -                        | -                        | -                       | 42,692   | -  |
| Financial liabilities at FVTPL<br>(Note 31)   | 878   | -                        | -                        | -                       | 878  | 878  |
|   | <b>1,226,280</b>                                      | <b>112,229</b>           | <b>153,139</b>           | <b>370,096</b>          | <b>1,861,744</b>                                   | <b>1,686,231</b>                                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. FINANCIAL INSTRUMENTS (Continued)

## a. Financial risk management objectives and policies (Continued)

## Liquidity risk (Continued)

Liquidity tables (Continued)

|   | On<br>demand or<br>Less than<br>1 year<br>RMB million | 1-2 years<br>RMB million | 2-5 years<br>RMB million | >5 years<br>RMB million | Total<br>undiscounted<br>cash flows<br>RMB million | Carrying<br>amount at<br>31/12/2024<br>RMB million |
|---|---|--------------------------|--------------------------|-------------------------|--|--|
| 2024  |   |                          |                          |                         |  |  |
| Trade and other payables<br>(excluding statutory and<br>non-financial liabilities)<br>(Note 38) | 901,219   | 47,637                   | 23,044                   | 15,212                  | 987,112  | 985,321  |
| Borrowings (Note 39)  | 157,569   | 63,041                   | 115,652                  | 326,786                 | 663,048  | 517,967  |
| Lease liabilities   | 1,323   | 1,201                    | 1,624                    | 162                     | 4,310  | 4,152  |
| Financial guarantee<br>contracts and shortfall<br>payments                                      | 83,612  | –                        | –                        | –                       | 83,612   | –  |
| Financial liabilities at FVTPL<br>(Note 31)   | 665   | –                        | –                        | –                       | 665  | 665  |
|   | 1,144,388   | 111,879                  | 140,320                  | 342,160                 | 1,738,747  | 1,508,105  |

Note: The difference between total undiscounted cash flows and the carrying amount of trade and other payables represents the imputed interest expenses on interest-free retention payables.

As at 31 December 2025, there is no bank borrowing that contains a repayment on demand clause (2024: nil).

The amounts included above for financial guarantee contracts and shortfall payment agreements are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee or shortfall payment which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### b. Fair value measurements of financial instruments

##### **Fair value of the Group's financial assets and financial liabilities that are measured at fair value**

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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. FINANCIAL INSTRUMENTS (Continued)

## b. Fair value measurements of financial instruments (Continued)

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

| Financial assets/<br>financial liabilities  | Fair value as at (RMB million)                              |               |   |               | Fair value<br>hierarchy | Valuation technique(s)<br>and key input(s) | Significant<br>unobservable input(s) |
|---|---|---------------|---|---------------|-------------------------|--|--------------------------------------|
|   | 31 December 2025  |               | 31 December 2024  |               |                         |  |                                      |
| 1) Derivative financial instrument  | <b>Assets/Liabilities</b>                                   | <b>Amount</b> | <b>Assets/Liabilities</b>                                   | <b>Amount</b> |                         |  |                                      |
|   | <b>Assets</b>   | <b>126</b>    | <b>Assets</b>   | <b>130</b>    | Level 3                 | Option pricing model                       | Risk-free interest,<br>Volatility    |
| 2) Listed equity securities and money – market securities investment funds at FVTPL | <b>Held-for-trading financial assets in Mainland China:</b> |               | <b>Held-for-trading financial assets in Mainland China:</b> |               |                         |  |                                      |
|   | <b>Industry</b>   | <b>Amount</b> | <b>Industry</b>   | <b>Amount</b> |                         |  |                                      |
|   | <b>Finance</b>  | <b>9,128</b>  | <b>Finance</b>  | <b>8,834</b>  |                         |  |                                      |
|   | <b>Manufacturing</b>  | <b>46</b>     | <b>Manufacturing</b>  | <b>44</b>     |                         |  |                                      |
|   | <b>Transportation</b>                                       | <b>4</b>      | <b>Transportation</b>                                       | <b>1</b>      |                         |  |                                      |
|   | <b>Others</b>   | <b>–</b>      | <b>Others</b>   | <b>3</b>      |                         |  |                                      |
|   | <b>Total</b>  | <b>9,178</b>  | <b>Total</b>  | <b>8,882</b>  | Level 1                 | Quoted bid prices in active markets.       | N/A                                  |
| 3) Listed equity securities at FVTOCI   | <b>Listed equity securities in Mainland China:</b>          |               | <b>Listed equity securities in Mainland China:</b>          |               |                         |  |                                      |
|   | <b>Industry</b>   | <b>Amount</b> | <b>Industry</b>   | <b>Amount</b> |                         |  |                                      |
|   | <b>Transportation</b>                                       | <b>12</b>     | <b>Transportation</b>                                       | <b>8</b>      |                         |  |                                      |
|   |   | <b>12</b>     |   | <b>8</b>      | Level 1                 | Quoted bid prices in active markets.       | N/A                                  |
|   | <b>Listed equity securities in Hong Kong:</b>               |               | <b>Listed equity securities in Hong Kong:</b>               |               |                         |  |                                      |
|   | <b>Industry</b>   | <b>Amount</b> | <b>Industry</b>   | <b>Amount</b> |                         |  |                                      |
|   | <b>Manufacturing</b>  | <b>370</b>    | <b>Manufacturing</b>  | <b>395</b>    | Level 1                 | Quoted bid prices in active markets.       | N/A                                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### b. Fair value measurements of financial instruments (Continued)

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

| Financial assets/<br>financial liabilities                                  | Fair value as at (RMB million)                               |                 |  |                    | Fair value<br>hierarchy | Valuation technique(s)<br>and key input(s) | Significant<br>unobservable input(s)   |  |   |
|---|--|-----------------|--|--------------------|-------------------------|--|--|--|---|
|   | 31 December 2025   |                 | 31 December 2024                                     |                    |                         |  |  |  |   |
| 4) Unlisted open-end<br>equity funds at<br>FVTPL                            | <b>Unlisted open-end equity<br/>funds in Mainland China:</b> |                 | Unlisted open-end equity funds in<br>Mainland China: |                    |                         |  |  |  |   |
|   | <b>Assets</b>  | <b>Industry</b> | <b>Amount</b>  | <b>Assets</b>      | <b>Industry</b>         | <b>Amount</b>                              |  |  |   |
|   | <b>Finance</b>   |                 | <b>2,284</b>   | <b>Finance</b>     |                         | 1,883                                      | Level 1  |  |   |
|   |  |                 |  |                    |                         |  | Quoted bid prices in active<br>markets.  | N/A  |   |
|   | <b>Finance</b>   |                 | <b>3,264</b>   | <b>Finance</b>     |                         | 2,907                                      | Level 3  | Discounted cash flow.<br>Future cash flows are<br>estimated based on<br>expected recoverable<br>amounts, discounted<br>at rates that reflect<br>management's best<br>estimation of the<br>expected risk level. | Expected future cash<br>flow, Discount rates<br>that correspond to<br>the expected risk<br>level. |
|   | <b>Total</b>   |                 | <b>5,548</b>   | <b>Total</b>       |                         | 4,790                                      |  |  |   |
|   | <b>Liabilities</b>   | <b>Industry</b> | <b>Amount</b>  | <b>Liabilities</b> | <b>Industry</b>         | <b>Amount</b>                              |  |  |   |
|   |  |                 |  |                    |                         |  | Discounted cash flow.<br>Future cash flows are<br>estimated based on<br>expected recoverable<br>amounts, discounted<br>at rates that reflect<br>management's best<br>estimation of the<br>expected risk level. | Expected future cash<br>flow, Discount rates<br>that correspond to<br>the expected risk<br>level.  |   |
|   | <b>Finance</b>   | <b>30</b>       | <b>Finance</b>                                       |                    | 28                      | Level 3                                    |  |  |   |
| 5) Unlisted entrusted<br>products and other<br>financial assets at<br>FVTPL | <b>Unlisted entrusted products in<br/>Mainland China:</b>    |                 | Unlisted entrusted products in<br>Mainland China:    |                    |                         |  |  |  |   |
|   | <b>Industry</b>  | <b>Amount</b>   | <b>Industry</b>                                      | <b>Amount</b>      |                         |  |  |  |   |
|   | <b>Real estate</b>   | <b>3,813</b>    | <b>Real estate</b>                                   | 3,911              |                         |  |  |  |   |
|   | <b>Construction</b>  | <b>73</b>       | <b>Construction</b>                                  | 81                 |                         |  |  |  |   |
|   | <b>Finance</b>   | <b>4,683</b>    | <b>Finance</b>                                       | 3,198              |                         |  |  |  |   |
|   | <b>Others</b>  | <b>563</b>      | <b>Others</b>  | 586                |                         |  |  |  |   |
|   | <b>Total</b>   | <b>9,132</b>    | <b>Total</b>   | 7,776              | Level 3                 |  |  |  |   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. FINANCIAL INSTRUMENTS (Continued)

## b. Fair value measurements of financial instruments (Continued)

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

| Financial assets/<br>financial liabilities     | Fair value as at (RMB million)                            |                  | Fair value<br>hierarchy                           | Valuation technique(s)<br>and key input(s) | Significant<br>unobservable input(s)  |
|--|---|------------------|---|--|---|
|  | 31 December 2025  | 31 December 2024 |   |  |   |
| 6) Unlisted equity<br>investments at<br>FVTOCI | <b>Unlisted equity investments<br/>in Mainland China:</b> |                  | Unlisted equity investments<br>in Mainland China: |  | Market valuation method<br>by reference to P/B<br>ratio, P/S ratio, P/E<br>ratio, discount rate that<br>reflects the liquidity<br>level; and cost method<br>by reference to the<br>original investment<br>cost.         |
|  | <b>Industry</b>   | <b>Amount</b>    | Industry  | Amount                                     |   |
|  | Construction  | 12,147           | Construction                                      | 13,282                                     |   |
|  | Finance   | 1,712            | Finance   | 1,710                                      |   |
|  | Manufacturing   | 151              | Manufacturing                                     | 156  |   |
|  | Real estate   | 25               | Real estate                                       | 208  |   |
|  | Mining  | –                | Mining  | –  |   |
|  | Others  | 4,485            | Others  | 5,212                                      |   |
| <b>Total</b>                                   | <b>18,520</b>   | <b>Total</b>     | <b>20,568</b>                                     | Level 3                                    |   |
| 7) Unlisted equity<br>investments at<br>FVTPL  | <b>Unlisted equity investments in<br/>Mainland China:</b> |                  | Unlisted equity investments in<br>Mainland China: |  | Market valuation method<br>by reference to P/B<br>ratio, discount rate that<br>reflects the liquidity<br>level; and cost method<br>by reference to the<br>original investment<br>cost.                                  |
|  | <b>Industry</b>   | <b>Amount</b>    | Industry  | Amount                                     |   |
|  | Finance   | 6,922            | Finance   | 8,542                                      |   |
|  | <b>Total</b>  | <b>6,922</b>     | <b>Total</b>                                      | <b>8,542</b>                               |   |
| 8) Bills receivables at<br>FVTOCI              | <b>Bills receivables in<br/>Mainland China:</b>           |                  | Bills receivables in<br>Mainland China:           |  | Discounted cash flow with<br>future cash flows that<br>are estimated based on<br>expected recoverable<br>amounts, discounted<br>at rates that reflect<br>management's best<br>estimation of the<br>expected risk level. |
|  | <b>Industry</b>   | <b>Amount</b>    | Industry  | Amount                                     |   |
|  | Construction  | 854              | Construction                                      | 752  |   |

There were no transfer between Level 1 and 2 during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 46. FINANCIAL INSTRUMENTS (Continued)

#### b. Fair value measurements of financial instruments (Continued)

##### Reconciliation of Level 3 fair value measurements

|   | Unlisted<br>entrusted<br>products<br>RMB million | Unlisted<br>open-end<br>funds<br>RMB million | Unlisted<br>equity<br>investments<br>RMB million | Others<br>RMB million | Total<br>RMB million |
|---|--|--|--|-----------------------|----------------------|
| At 1 January 2024                                 | 6,248  | 2,493  | 27,459   | 3,521                 | 39,721               |
| Acquisitions                                      | 1,014  | 408  | 3,256  | 351                   | 5,029                |
| (Losses)/gains recognised<br>in profit or loss    | (241)  | 19   | 63   | (10)                  | (169)                |
| Gains recognised in other<br>comprehensive income | –  | –  | 148  | –                     | 148                  |
| Disposals   | (1,258)  | (41)   | (1,817)  | (966)                 | (4,082)              |
| At 31 December 2024                               | 5,763  | 2,879  | 29,109   | 2,896                 | 40,647               |
| Acquisitions                                      | 3,975  | 466  | 2,471  | 199                   | 7,111                |
| Losses recognised in<br>profit or loss            | (558)  | (111)  | (30)   | (1)                   | (700)                |
| Gains recognised in other<br>comprehensive income | –  | –  | 317  | –                     | 317                  |
| Disposals   | (2,022)  | –  | (6,425)  | (140)                 | (8,587)              |
| <b>At 31 December 2025</b>                        | <b>7,158</b>                                     | <b>3,234</b>                                 | <b>25,442</b>                                    | <b>2,954</b>          | <b>38,788</b>        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 46. FINANCIAL INSTRUMENTS (Continued)

## b. Fair value measurements of financial instruments (Continued)

## Fair value of financial assets and liabilities measured at amortised cost

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

|   | 31/12/2025                     |                           | 31/12/2024                     |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | Carrying amount<br>RMB million | Fair value<br>RMB million | Carrying amount<br>RMB million | Fair value<br>RMB million |
| <b>Financial asset</b>                                |                                |                           |                                |                           |
| Other financial assets at amortised cost – fixed rate | <b>31,218</b>                  | <b>32,592</b>             | 34,491                         | 35,783                    |
| <b>Financial liabilities</b>                          |                                |                           |                                |                           |
| Long-term bank borrowings – fixed rate                | <b>66,987</b>                  | <b>66,504</b>             | 64,001                         | 65,692                    |
| Long-term debentures – fixed rate                     | <b>58,842</b>                  | <b>58,423</b>             | 50,907                         | 50,956                    |
| Other long-term borrowings – fixed rate               | <b>19,340</b>                  | <b>19,431</b>             | 5,850                          | 6,148                     |

The fair values hierarchy of the fair value of fixed rate other financial assets at amortised cost, long-term bank borrowings, 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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 47. RELATED-PARTY TRANSACTIONS

The Company is controlled by the following entity:

| Name | Relationship                        | Place of incorporation and operation | Ownership interest as at |        |
|------|-------------------------------------|--------------------------------------|--------------------------|--------|
|      |                                     |                                      | 2025                     | 2024   |
| CREC | Parent and ultimate holding company | PRC                                  | <b>47.08%</b>            | 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 year, 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 year and balances arising from related party transactions at the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 47. RELATED-PARTY TRANSACTIONS (Continued)

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

#### (a) Significant related party transactions

| Relationships  | Nature of transactions              | For the year ended | For the year ended |
|----------------|-------------------------------------|--------------------|--------------------|
|                |                                     | 31/12/2025         | 31/12/2024         |
|                |                                     | RMB million        | RMB million        |
| the CREC Group | Revenue from construction contracts | 5                  | 27                 |
|                | Service expenses                    | 85                 | 56                 |
|                | Rental income                       | 87                 | 80                 |
|                | Rental expense                      | 24                 | 24                 |
|                | Interest income                     | 44                 | 15                 |
|                | Interest expense                    | 17                 | 15                 |
|                | Lending funds                       | 1,681              | 2,100              |
|                | Repayment of borrowings             | 2,100              | –                  |
|                | Revenue from sales of goods         | 3                  | –                  |
| Joint ventures | Revenue from construction contracts | 15,946             | 12,742             |
|                | Revenue from sales of goods         | 478                | 341                |
|                | Purchases                           | 146                | 412                |
|                | Rental income                       | 2                  | 9                  |
|                | Rental expense                      | 46                 | 3                  |
|                | Other income                        | 83                 | 154                |
|                | Interest expense                    | 12                 | 3                  |
|                | Lending funds                       | –                  | 870                |
|                | Repayment of borrowings             | 11                 | 284                |
| Associates     | Revenue from construction contracts | 19,218             | 25,373             |
|                | Revenue from sales of goods         | 1,382              | 2,104              |
|                | Purchases                           | 15,139             | 16,425             |
|                | Rental expense                      | 8                  | 3                  |
|                | Other income                        | 223                | 208                |
|                | Interest expense                    | 24                 | 1                  |
|                | Lending funds                       | 242                | –                  |
|                | Repayment of borrowings             | 2,731              | 581                |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 47. RELATED-PARTY TRANSACTIONS (Continued)

#### (b) Balances with related parties

| Relationships  | Nature of balances  | As at<br>31/12/2025<br>RMB million | As at<br>31/12/2024<br>RMB million |
|----------------|---|------------------------------------|------------------------------------|
| the CREC Group | Trade and bills receivables   | 8                                  | 3                                  |
|                | Other receivables   | –                                  | 2                                  |
|                | Other financial assets at amortised cost                              | 1,681                              | 2,100                              |
|                | Trade payables  | 39                                 | 7                                  |
|                | Other payables  | 140                                | 479                                |
|                | Advance from customers  | 105                                | 209                                |
|                | Deposits  | 1,492                              | 234                                |
|                | Borrowings  | 440                                | –                                  |
| Joint ventures | Trade and bills receivables   | 4,600                              | 3,203                              |
|                | Other receivables   | 1,284                              | 2,393                              |
|                | Advance to suppliers  | 36                                 | 110                                |
|                | Other financial assets at amortised cost                              | 2,573                              | 3,073                              |
|                | Contract assets-amounts due from<br>contract customers for retentions | 726                                | 175                                |
|                | Trade payables  | 161                                | 194                                |
|                | Other payables  | 294                                | 41                                 |
|                | Contract liabilities-advance from customers                           | 1,809                              | 1,004                              |
|                | Advance from customers  | 41                                 | 26                                 |
|                | Deposits  | 3,273                              | 3,840                              |
| Associates     | Trade and bills receivables   | 8,482                              | 7,299                              |
|                | Other receivables   | 1,441                              | 627                                |
|                | Other financial assets at amortised cost                              | 2,812                              | 4,913                              |
|                | Contract assets-amounts due from<br>contract customers for retentions | 2,571                              | 1,859                              |
|                | Advance to suppliers  | 100                                | 171                                |
|                | Trade payables  | 1,084                              | 3,612                              |
|                | Other payables  | 1,796                              | 377                                |
|                | Contract liabilities-advance from customers                           | 590                                | 3,587                              |
|                | Advance from customers  | –                                  | 2                                  |
|                | Deposits  | 1,676                              | 915                                |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 47. RELATED-PARTY TRANSACTIONS (Continued)

## (c) Guarantees

|  | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|--|---------------------------|---------------------------|
| <b>Outstanding loan guarantees provided by the Group to</b>                |                           |                           |
| – Joint ventures   | <b>5,394</b>              | 5,771                     |
| – Associates   | <b>191</b>                | 730                       |
| <b>Outstanding debentures guarantees provided by<br/>CREC to the Group</b> | <b>–</b>                  | 3,500                     |

## (d) Key management compensation

The remuneration of directors and other members of key management during the year was as follows:

|   | For the years ended   |                       |
|---|-----------------------|-----------------------|
|   | 31/12/2025<br>RMB'000 | 31/12/2024<br>RMB'000 |
| Basic salaries, housing allowances and other allowances | <b>4,698</b>          | 4,826                 |
| Fees  | <b>220</b>            | 213                   |
| Contributions to pension plans                          | <b>792</b>            | 813                   |
| Share-based payment                                     | <b>21</b>             | 1,002                 |
| Others  | <b>12,461</b>         | 6,902                 |
|   | <b>18,192</b>         | 13,756                |

Key management represents the directors and other senior management personnel disclosed in the annual report. The remuneration of key management is determined by the Remuneration and Appraisal Committee having regard to the performance of the respective individuals and the market trends.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

#### 48.1 General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

| Name of subsidiary   | Country/<br>place of<br>establishment<br>and operation | Issued and<br>paid in<br>capital<br>RMB'000 | Proportion of interest and<br>voting power held by the<br>Group |           | Proportional of ordinary<br>shares held by non-<br>controlling interests |           | Principal activities                                    |
|--|--|---|---|-----------|--|-----------|---|
|  |  |   | 2025<br>%   | 2024<br>% | 2025<br>%  | 2024<br>% |   |
| <b>Listed-</b>   |  |   |   |           |  |           |   |
| 中鐵高新工業股份有限公司<br>China Railway Hi-Tech Industry Co., Ltd.                     | PRC  | 2,221,552                                   | <b>49.84</b>  | 49.12     | <b>50.16</b>   | 50.88     | Engineering Equipment<br>and Component<br>Manufacturing |
| <b>Unlisted-</b>   |  |   |   |           |  |           |   |
| 中鐵一局集團有限公司<br>China Railway No.1 Engineering Group Co., Ltd.                 | PRC  | 6,366,011                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵二局集團有限公司<br>China Railway No.2 Engineering Group Co., Ltd.                 | PRC  | 7,692,920                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵三局集團有限公司<br>China Railway No.3 Engineering Group Co., Ltd.                 | PRC  | 5,213,991                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵四局集團有限公司<br>China Railway No.4 Engineering Group Co., Ltd.                 | PRC  | 8,272,699                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵五局集團有限公司<br>China Railway No.5 Engineering Group Co., Ltd.                 | PRC  | 7,615,152                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵六局集團有限公司<br>China Railway No.6 Engineering Group Co., Ltd.                 | PRC  | 2,200,000                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵七局集團有限公司<br>China Railway No.7 Engineering Group Co., Ltd.                 | PRC  | 2,611,810                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵八局集團有限公司<br>China Railway No.8 Engineering Group Co., Ltd.                 | PRC  | 5,906,056                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵九局集團有限公司<br>China Railway No.9 Engineering Group Co., Ltd.                 | PRC  | 2,500,000                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵十局集團有限公司<br>China Railway No.10 Engineering Group Co., Ltd.                | PRC  | 3,836,510                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵大橋局集團有限公司<br>China Railway Major Bridge Engineering Group<br>Co., Ltd.     | PRC  | 4,278,453                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵電氣化局集團有限公司<br>China Railway Electrification Engineering Group<br>Co., Ltd. | PRC  | 4,409,280                                   | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |
| 中鐵建工集團有限公司<br>China Railway Construction Group Co., Ltd.                     | PRC  | 10,391,430                                  | <b>100</b>  | 100       | -  | -         | Infrastructure<br>construction                          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

## 48.1 General information of subsidiaries (Continued)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below. (Continued)

| Name of subsidiary   | Country/<br>place of<br>establishment<br>and operation | Issued and<br>paid in<br>capital<br>RMB'000 | Proportion of interest and<br>voting power held by the<br>Group |           | Proportional of ordinary<br>shares held by non-<br>controlling interests |           | Principal activities               |
|--|--|---|---|-----------|--|-----------|------------------------------------|
|  |  |   | 2025<br>%   | 2024<br>% | 2025<br>%  | 2024<br>% |                                    |
| 中鐵隧道局集團有限公司<br>China Railway Tunnel Group Co., Ltd.  | PRC  | 4,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction     |
| 中鐵國際集團有限公司<br>China Railway International Group Co., Ltd.  | PRC  | 2,500,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction     |
| 中鐵二局建設有限公司<br>China Railway No.2 Construction Co., Ltd.  | PRC  | 8,263,823                                   | 100   | 100       | -  | -         | Infrastructure<br>construction     |
| 中鐵二院工程集團有限責任公司<br>China Railway Eryuan Engineering Group Co. Ltd.                                | PRC  | 1,246,138                                   | 100   | 100       | -  | -         | Survey and design                  |
| 中鐵北京工程局集團有限公司<br>China Railway Beijing Engineering Group Co. Ltd.                                | PRC  | 3,200,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction     |
| 中鐵信託有限責任公司<br>China Railway Trust (i)  | PRC  | 5,000,000                                   | 93  | 93        | 7  | 7         | Financial trust<br>management      |
| 中鐵財務有限責任公司<br>CREC Finance   | PRC  | 9,000,000                                   | 95  | 95        | 5  | 5         | Comprehensive financial<br>service |
| 中鐵資本有限公司<br>China Railway Capital Co., Ltd.  | PRC  | 1,636,865                                   | 100   | 100       | -  | -         | Asset Management                   |
| 中鐵物質集團有限公司<br>China Railway Material Trade Co., Ltd.   | PRC  | 3,000,000                                   | 100   | 100       | -  | -         | Trade                              |
| 中鐵第六勘察設計院集團有限公司<br>China Railway Liuyuan Group Co., Ltd.   | PRC  | 600,000                                     | 100   | 100       | -  | -         | Survey and design                  |
| 中鐵工程設計諮詢集團有限公司<br>China Railway Engineering Consulting Group<br>Co., Ltd.                        | PRC  | 730,818                                     | 70  | 70        | 30   | 30        | Survey and design                  |
| 中鐵大橋勘測設計院集團有限公司<br>China Railway Major Bridge Reconnaissance &<br>Design Institute Co., Ltd. (i) | PRC  | 148,337                                     | 100   | 100       | -  | -         | Survey and design                  |
| 中鐵科學研究院集團有限公司<br>China Railway Academy Group Co., Ltd.   | PRC  | 800,000                                     | 100   | 100       | -  | -         | Survey and design                  |
| 中鐵華鐵工程設計集團有限公司<br>China Railway Huatie Engineering Designing<br>Group Co., Ltd.                  | PRC  | 217,084                                     | 100   | 100       | -  | -         | Survey and design                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

## 48.1 General information of subsidiaries (Continued)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below. (Continued)

| Name of subsidiary   | Country/<br>place of<br>establishment<br>and operation | Issued and<br>paid in<br>capital<br>RMB'000 | Proportion of interest and<br>voting power held by the<br>Group |           | Proportional of ordinary<br>shares held by non-<br>controlling interests |           | Principal activities   |
|--|--|---|---|-----------|--|-----------|--|
|  |  |   | 2025<br>%   | 2024<br>% | 2025<br>%  | 2024<br>% |  |
| 中鐵人才交流諮詢有限責任公司<br>China Railway Talent Exchange Consulting Co.,<br>Ltd.                                | PRC  | 500   | 100   | 100       | -  | -         | Talent information<br>network service  |
| 鐵工(香港)財資管理有限公司<br>CR (Hong Kong) Treasury Management Co., Ltd.   | Hongkong   | 69  | 100   | 100       | -  | -         | Asset management   |
| 中鐵武漢電氣化局集團有限公司<br>China Railway Wuhan Electrification Bureau<br>Group Co., Ltd.                        | PRC  | 902,960                                     | 100   | 100       | -  | -         | Infrastructure<br>construction   |
| 中鐵雲網信息科技有限公司<br>China Railway Cloud Network Information<br>Technology Co., Ltd.                        | PRC  | 200,000                                     | 100   | 100       | -  | -         | Software and<br>information<br>technology services                             |
| 中國鐵工投資建設集團有限公司<br>China Tiegong Investment and Construction<br>Co., Ltd.                               | PRC  | 5,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction   |
| 中國中鐵匈牙利有限責任公司<br>China Railway Hungary Co., Ltd.   | Hungary  | -   | 100   | 100       | -  | -         | Infrastructure<br>construction   |
| 中鐵水利水電規劃設計集團有限公司<br>China Railway Water Conservancy & Hydropower<br>Planning and Design Group Co.,Ltd. | PRC  | 300,000                                     | 65  | 65        | 35   | 35        | Research, design and<br>construction of<br>water conservancy<br>and hydropower |
| 中鐵長江交通設計集團有限公司<br>China Railway Changjiang Transport Design<br>Group Co.,Ltd.                          | PRC  | 147,059                                     | 66  | 66        | 34   | 34        | Survey, design and<br>management of<br>communications                          |
| 中國海外工程有限責任公司<br>China Overseas Engineering Group Co., Ltd.   | PRC  | 3,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction   |
| 中鐵雲南建設投資有限公司<br>China Railway Yunnan Construction Investment<br>Co., Ltd.                              | PRC  | 38,692,528                                  | 70.51   | 70.51     | 29.49  | 29.49     | Infrastructure<br>construction and<br>asset management                         |
| 中國鐵路工程(馬來西亞)有限公司<br>China Railway Engineering (Malaysia) Co., Ltd.                                     | Malaysia   | 150,631                                     | 100   | 100       | -  | -         | Infrastructure<br>construction and<br>real estate<br>development               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

## 48.1 General information of subsidiaries (Continued)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below. (Continued)

| Name of subsidiary  | Country/<br>place of<br>establishment<br>and operation | Issued and<br>paid in<br>capital<br>RMB'000 | Proportion of interest and<br>voting power held by the<br>Group |           | Proportional of ordinary<br>shares held by non-<br>controlling interests |           | Principal activities                                   |
|---|--|---|---|-----------|--|-----------|--|
|   |  |   | 2025<br>%   | 2024<br>% | 2025<br>%  | 2024<br>% |  |
| 中鐵資本控股(北京)集團有限公司<br>China Railway Capital Holdings (Beijing) Group<br>Co., Ltd. | PRC  | 4,313,370                                   | 100   | 100       | -  | -         | Capital investment                                     |
| 中鐵廣州工程局集團有限公司<br>China Railway Guangzhou Engineering Group<br>Co. Ltd.          | PRC  | 3,050,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction                         |
| 中鐵投資集團有限公司<br>China Railway Investment Group Co., Ltd.                          | PRC  | 5,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction and<br>asset management |
| 中鐵(上海)投資集團有限公司<br>China Railway (Shanghai) Investment Group<br>Co., Ltd.        | PRC  | 5,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction and<br>asset management |
| 中鐵交通投資集團有限公司<br>China Railway Transportation Investment Group<br>Co., Ltd.      | PRC  | 8,049,920                                   | 100   | 100       | -  | -         | Expressway construction<br>and operation               |
| 中鐵南方投資集團有限公司<br>China Railway South Investment Group Co., Ltd.                  | PRC  | 5,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction and<br>asset management |
| 中鐵城市發展投資集團有限公司<br>China Railway Urban Development Investment<br>Group Co., Ltd. | PRC  | 5,000,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction and<br>asset management |
| 中鐵上海工程局集團有限公司<br>China Railway Shanghai Engineering Group Co.<br>Ltd.           | PRC  | 2,300,000                                   | 100   | 100       | -  | -         | Infrastructure<br>construction                         |
| 中鐵置業集團有限公司<br>China Railway Real Estate Group Co., Ltd.                         | PRC  | 13,146,714                                  | 100   | 100       | -  | -         | Real estate  |
| 中鐵資源集團有限公司<br>China Railway Resources Group Co., Ltd.                           | PRC  | 5,427,127                                   | 100   | 100       | -  | -         | Exploitation of mineral<br>resources                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### 48.1 General information of subsidiaries (Continued)

Most of the subsidiaries above were established as limited liability companies in the PRC, which have similar characteristics of limited liability company incorporated under the Hong Kong Companies Ordinance.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

- (i) Unless otherwise stated, above subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Company.
  - (a) At 31 December 2025, 14% (2024: 14%) of ordinary shares of China Railway Trust is indirectly held by the Company.
  - (b) At 31 December 2025, 35% (2024: 35%) of ordinary shares of China Railway Major Bridge Reconnaissance & Design Institute Co., Ltd. is indirectly held by the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

## 48.2 Information of debt securities

As at 31 December 2025, the Group had outstanding issued debt securities as follows:

| Name   | Face value of<br>debt securities<br>RMB million | Maturity date |
|--|---|---------------|
| China Railway Group Limited                            | 2,120   | 28/1/2026     |
|  | 800   | 22/7/2026     |
|  | 1,000   | 11/1/2027     |
|  | 600   | 8/6/2027      |
|  | 2,500   | 19/6/2028     |
|  | 3,000   | 28/6/2026     |
|  | 1,500   | 16/5/2029     |
|  | 1,000   | 16/5/2034     |
|  | 1,000   | 23/5/2029     |
|  | 2,000   | 23/5/2034     |
|  | 2,000   | 11/6/2029     |
|  | 1,000   | 11/6/2034     |
|  | 1,500   | 20/6/2029     |
|  | 1,500   | 20/6/2034     |
|  | 2,500   | 13/9/2029     |
|  | 500   | 13/9/2034     |
|  | China Railway Xunjie Co. Limited                | 2,000         |
| 3,000  |   | 23/5/2030     |
| 3,000  |   | 6/6/2030      |
| China Tiegong Investment & Construction Group Limited  | 3,000   | 11/6/2030     |
|  | 3,000   | 19/6/2030     |
|  | 3,482   | 28/7/2026     |
| China Railway Real Estate Group Co.,Ltd.               | 3,482   | 6/7/2027      |
|  | 1,000   | 29/10/2029    |
| China Railway Development & Investment Group Co., Ltd. | 1,000   | 27/8/2030     |
|  | 800   | 25/5/2026     |
|  | 770   | 25/4/2026     |
|  | 890   | 12/1/2027     |
|  | 870   | 21/11/2027    |
| China Railway Investment Group Co., Ltd.               | 1,500   | 6/12/2026     |
|  | 250   | 16/4/2028     |
|  | 1,000   | 8/6/2030      |
|  | 750   | 21/7/2028     |
|  | 1,000   | 15/8/2030     |
| China Railway (Shanghai) Investment Group Co., Ltd.    | 1,000   | 13/6/2028     |
|  | 500   | 13/6/2030     |
|  | 1,500   | 13/8/2030     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### 48.2 Information of debt securities (Continued)

As at 31 December 2024, the Group had outstanding issued debt securities as follows:

| Name  | Face value of<br>debt securities<br>RMB million | Maturity date |
|---|---|---------------|
| China Railway Group Limited                                     | 3,500   | 19/10/2025    |
|   | 2,120   | 28/1/2026     |
|   | 800   | 22/7/2026     |
|   | 2,000   | 11/1/2025     |
|   | 1,000   | 11/1/2027     |
|   | 1,100   | 8/6/2025      |
|   | 600   | 8/6/2027      |
|   | 3,000   | 2/8/2025      |
|   | 2,500   | 19/6/2028     |
|   | 3,000   | 28/6/2026     |
|   | 1,000   | 16/5/2034     |
|   | 1,500   | 16/5/2029     |
|   | 2,000   | 23/5/2034     |
|   | 1,000   | 23/5/2029     |
|   | 1,000   | 11/6/2034     |
|   | 2,000   | 11/6/2029     |
|   | China Railway Xunjie Co. Limited                | 1,500         |
| 1,500   |   | 20/6/2029     |
| 500   |   | 13/9/2034     |
| Guangdong China Railway Xijiang High-tech Investment Co.Limited | 2,500   | 13/9/2029     |
|   | 2,000   | 26/9/2029     |
| China Tiegong Investment & Construction Group Limited           | 3,482   | 28/7/2026     |
|   | 3,482   | 6/7/2027      |
| China Railway Real Estate Group Co.,Ltd.                        | 500   | 21/1/2037     |
|   | 500   | 11/4/2037     |
| China Railway Development & Investment Group Co., Ltd.          | 1,000   | 26/9/2025     |
|   | 1,000   | 29/10/2029    |
| China Railway Real Estate Group Co.,Ltd.                        | 870   | 23/11/2025    |
|   | 800   | 25/5/2026     |
|   | 770   | 25/4/2026     |
| China Railway Development & Investment Group Co., Ltd.          | 1,500   | 6/12/2026     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 49. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2025, the following significant events took place:

- (a) On 20 November 2025, the Company issued the “Announcement on the Implementation of the Repurchase and Cancellation of Some Restricted Shares under the 2021 Restricted Share Incentive Plan of China Railway Group Limited”, resolving to repurchase and cancel a total of 54,786,990 restricted Shares held by 678 incentive recipients that had been granted but had not yet met the third vesting condition. Among these, due to the shares being frozen, the repurchase and cancellation procedures for 63,700 restricted shares held by one participant had not been completed by 31 December 2025. On 15 January 2026, the Company announced that the freeze on these 63,700 frozen restricted shares had been released, and the repurchase and cancellation procedures were completed on 19 January 2026.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

|                                     | 31/12/2025<br>RMB million | 31/12/2024<br>RMB million |
|-------------------------------------|---------------------------|---------------------------|
| <b>ASSETS</b>                       |                           |                           |
| <b>Non-current Assets</b>           |                           |                           |
| Other non-current assets            | 78,389                    | 76,599                    |
| Investments in subsidiaries         | 329,572                   | 326,865                   |
|                                     | <b>407,961</b>            | 403,464                   |
| <b>Current Assets</b>               |                           |                           |
| Amounts due from subsidiaries       | 31,483                    | 42,249                    |
| Other current assets                | 13,701                    | 14,525                    |
| Bank balances and cash              | 12,952                    | 37,383                    |
|                                     | <b>58,136</b>             | 94,157                    |
| <b>Total assets</b>                 | <b>466,097</b>            | 497,621                   |
| Share capital                       | 24,686                    | 24,742                    |
| Perpetual notes                     | 52,794                    | 50,290                    |
| Share premium and reserves          | 186,177                   | 181,294                   |
| <b>Total equity</b>                 | <b>263,657</b>            | 256,326                   |
| <b>LIABILITIES</b>                  |                           |                           |
| <b>Non-current Liabilities</b>      |                           |                           |
| Borrowings                          | 43,826                    | 38,816                    |
| Other non-current liabilities       | 2,179                     | 3,923                     |
|                                     | <b>46,005</b>             | 42,739                    |
| <b>Current Liabilities</b>          |                           |                           |
| Amounts due to subsidiaries         | 127,657                   | 159,824                   |
| Other current liabilities           | 28,778                    | 38,732                    |
|                                     | <b>156,435</b>            | 198,556                   |
| <b>Total liabilities</b>            | <b>202,440</b>            | 241,295                   |
| <b>Total equity and liabilities</b> | <b>466,097</b>            | 497,621                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY  
(Continued)

## Movement in the Company's reserves

|  | Share<br>premium<br>RMB million | Capital<br>reserves<br>RMB million | Statutory<br>reserve<br>RMB million | Retained<br>earnings<br>RMB million | Total<br>RMB million |
|--|---------------------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------------|
| At 1 January 2024  | 53,036                          | 7,810                              | 16,624                              | 97,719                              | 175,189              |
| Profit and total comprehensive income for the year   | –                               | 85                                 | –                                   | 12,184                              | 12,269               |
| Unlocked restricted stock  | –                               | 189                                | –                                   | –                                   | 189                  |
| Repurchase and cancel unlocked restricted stock  | –                               | 6                                  | –                                   | 4                                   | 10                   |
| Amount recorded in shareholders' equity arising from<br>2021 Restricted Share Incentive Scheme   | –                               | (28)                               | –                                   | –                                   | (28)                 |
| Issuance and redemption of perpetual notes   | (15)                            | –                                  | –                                   | –                                   | (15)                 |
| Transfer to reserves   | –                               | –                                  | 1,244                               | (1,244)                             | –                    |
| Dividends recognised as distribution   | –                               | 22                                 | –                                   | (5,185)                             | (5,163)              |
| Dividends declared to perpetual notes holders  | –                               | –                                  | –                                   | (1,157)                             | (1,157)              |
| At 31 December 2024  | <b>53,021</b>                   | <b>8,084</b>                       | <b>17,868</b>                       | <b>102,321</b>                      | <b>181,294</b>       |
| (Loss)profit and total comprehensive (expense)income<br>for the year                             | –                               | (67)                               | –                                   | 14,059                              | 13,992               |
| Unlocked restricted stock  | 65                              | 98                                 | –                                   | –                                   | 163                  |
| Repurchase and cancel restricted stock   | (142)                           | 176                                | –                                   | 22                                  | 56                   |
| Amount recorded in shareholders' equity arising from<br>2021 Restricted Share Incentive Scheme   | –                               | 4                                  | –                                   | –                                   | 4                    |
| Repurchase of shares   | –                               | (160)                              | –                                   | –                                   | (160)                |
| Issuance and redemption of perpetual notes   | (7)                             | –                                  | –                                   | –                                   | (7)                  |
| Transfer to reserves   | –                               | –                                  | 1,503                               | (1,503)                             | –                    |
| Dividends recognised as distribution   | –                               | 10                                 | –                                   | (6,418)                             | (6,408)              |
| Dividends declared to perpetual notes holders  | –                               | –                                  | –                                   | (2,741)                             | (2,741)              |
| Transfer of fair value gains of equity investment in<br>other comprehensive income upon disposal | –                               | (63)                               | 6                                   | 57                                  | –                    |
| Others   | –                               | (16)                               | –                                   | –                                   | (16)                 |
| At 31 December 2025  | <b>52,937</b>                   | <b>8,066</b>                       | <b>19,377</b>                       | <b>105,797</b>                      | <b>186,177</b>       |

# SIGNIFICANT EVENTS

## I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves

### 1. Formulation, implementation or adjustment of the cash dividend policy

#### (1) Specific policies for profit distribution

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

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

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

- (iii) Specific conditions for the Company to issue share dividends:

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

## SIGNIFICANT EVENTS

### I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

#### 1. Formulation, implementation or adjustment of the cash dividend policy (Continued)

##### (2) Implementation of the cash dividend policy during the Reporting Period

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

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

## SIGNIFICANT EVENTS

### I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

#### 1. Formulation, implementation or adjustment of the cash dividend policy (Continued)

##### (3) Profit distribution plan for 2025

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

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

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

## SIGNIFICANT EVENTS

### I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

#### 1. Formulation, implementation or adjustment of the cash dividend policy (Continued)

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

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

(1) *Situation and characteristics of the industry of the Company*

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

(2) *Listed company’s development stage and its own business model*

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

## SIGNIFICANT EVENTS

### I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

#### 1. Formulation, implementation or adjustment of the cash dividend policy (Continued)

##### (4) Information on the profit distribution for 2025 (Continued)

###### (3) Profitability level and demands on the funds of the Company

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

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

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

###### (5) Measures the Company intended to take to enhance investor returns

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

## SIGNIFICANT EVENTS

### I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

#### 1. Formulation, implementation or adjustment of the cash dividend policy (Continued)

##### (5) Arrangement of 2026 interim dividend plan

In order to implement relevant requirements of the Certain Opinions on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market (《關於加強監管防範風險推動資本市場高質量發展的若干意見》) issued by the State Council, the Certain Opinions on Improving and Strengthening the Management of Market Value of Listed Companies Controlled by Central Enterprises (《關於改進和加強中央企業控股上市公司市值管理工作的若干意見》) issued by the SASAC of the State Council and the Listed Companies Regulatory Guidance No. 10 – Market Value Management (《上市公司監管指引第10號 — 市值管理》) on encouraging listed companies to increase frequency of dividend distribution and optimizing dividend distribution tempo, and to further stabilize investors' dividend distribution expectation, share the Company's operating performance with investors in a timely manner and enhance investors' confidence of long-term shareholding, the Company proposes to make one more interim dividend distribution in 2026. The Board of Directors of the Company proposed to the general meeting of shareholders to authorize the Board of Directors to formulate and implement the interim dividend distribution plan of 2026 once satisfying the profit distribution conditions. Detailed arrangement is as follows:

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

## SIGNIFICANT EVENTS

### I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

#### 2. Special explanation of the cash dividend policy

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

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

Not applicable

#### 4. Profit distribution and conversion of capital reserve into share capital plan during the Reporting Period

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

## SIGNIFICANT EVENTS

## I. The Plan for Profit Distribution on Ordinary Shares or Capitalization of Capital Reserves (Continued)

## 5. Cash dividends for the latest three accounting years

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

## II. 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 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 Restricted Share Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws, non-compliance of laws, etc. The Company repurchased and cancelled 1,379,700 restricted shares that had been granted to the above 5 participants but not yet unlocked on 28 December 2022.

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

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

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

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

In addition, the Company completed the repurchase and cancellation of 7,384,576 restricted shares that had been granted to 43 participants but not yet unlocked on 25 December 2024. Among the participants under the first grant, 1 participant was transferred from the Company and ceased to take office in the Company due to organisational arrangements, 36 participants retired normally as the legal retirement age was reached and the time of retirement was more than 6 months before the selling restrictions are unlocked, 2 participants resigned from the Company during the employment contract period, 3 participants were disqualified for the 2021 Restricted Share 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 were unlocked in the current period, while the remaining 20% of the restricted shares were 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 SASAC of the State Council, 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was more than 6 months before the selling restrictions for the second batch are unlocked, 3 participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, 6 participants retired normally as the legal retirement age was reached and the time of retirement was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, and 2 participants received a competent performance rating in the 2023 annual individual performance appraisal (80% of the restricted shares were unlocked in the current period, while the remaining 20% of the restricted shares were repurchased and canceled by the Company).

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

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

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

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

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

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

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

#### (1) Summary of the 2021 Restricted Share Incentive Scheme

##### **Purpose of the 2021 Restricted Share 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, and effectively align the interests of the shareholders, the Company with the individual interests of the operators to focus on and work collectively for the long-term development of the Company, the 2021 Restricted Share Incentive Scheme was formulated in accordance with the relevant requirements under the Securities Law, the Company Law, the Articles of Association and other relevant laws and regulations as well as in conjunction with the current management systems such as the remuneration system and performance appraisal system of the Company.

##### **Participants of the 2021 Restricted Share Incentive Scheme**

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

##### **Total number of restricted shares available for issue under the 2021 Restricted Share Incentive Scheme and their percentage in the total shares issued as at the date of this annual report**

The number of restricted shares to be granted under the 2021 Restricted Share Incentive Scheme is not more than 200,000,000 A shares, of which 180,000,000 A shares are to be initially granted and 20,000,000 A shares are reserved. As at 31 December 2025, the 2021 Restricted Share Incentive Scheme was implemented completely. The Company granted 170,935,835 A shares under the 2021 Restricted Share Incentive Scheme (excluding the 67,290,054 restricted shares that were repurchased and canceled by the Company in accordance with the terms of the 2021 Restricted Share Incentive Scheme as of 31 December 2025), and the number of restricted shares issued accounted for approximately 0.51% of the total A share capital and 0.42% of the total share capital of the Company as of the date of this annual report.

##### **Cap of restricted shares available for grant to each participant in the 2021 Restricted Share Incentive Scheme**

The total number of the Company's restricted shares granted under the 2021 Restricted Share Incentive Scheme that are in effect to any of the participants shall not exceed 1% of the total A share capital of the Company at the time when the 2021 Restricted Share Incentive Scheme was submitted for approval at the general meetings. The value of the entitlements granted to senior management shall be determined at no more than 40% of the total remuneration level (including the value of interests granted) at the time of grant, and the value of the interests granted to other participants such as the core members in management, technology and business shall be determined reasonably by the Board.

##### **The period within which the option may be exercised by the participants under the 2021 Restricted Share Incentive Scheme**

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

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

#### (1) Summary of the 2021 Restricted Share Incentive Scheme (Continued)

##### **Vesting period and lock-up period of restricted shares granted under the 2021 Restricted Share Incentive Scheme**

The restricted shares granted under the 2021 Restricted Share Incentive Scheme do not have any vesting period per as they were all vested with the participants at the same time as they were granted. The restricted shares have lock-up period. Lock-up period of the restricted shares granted under the 2021 Restricted Share 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 participants under the 2021 Restricted Share Incentive Scheme shall not be transferred, used for guarantee or debt repayment until the sales restrictions are released.

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

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

##### **Basis of determining the grant price**

The grant price of the restricted shares under the first grant shall not be less than the nominal value of the shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices: 1. the average trading price of the underlying A shares of the Company on the last trading day immediately preceding the date of the relevant announcement of the first grant (the total transaction value for the last trading day/total volume of the shares of the Company traded for the last trading day); or 2. any of the average trading price of the underlying A shares of the Company for the last 20 trading days, 60 trading days and 120 trading days immediately preceding the date of the relevant announcement.

The grant of the restricted shares under the reserved grant is subject to the consideration and passing of related resolutions by the Board and the disclosure of related information. The grant price of the restricted shares under the reserved grant shall not be less than the nominal value of the shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices: 1. the average trading price of the A shares on the last trading day immediately preceding the date of the announcement of Board resolutions on the reserved grant; 2. any of the average trading price of the A shares for the last 20 trading days, 60 trading days or 120 trading days immediately preceding the date of the announcement of Board resolutions on the reserved grant.

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

#### (1) Summary of the 2021 Restricted Share Incentive Scheme (Continued)

##### Remaining life of the 2021 Restricted Share Incentive Scheme

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

##### 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 Restricted Share Incentive Scheme.

##### 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 Shanghai Stock Exchange as an ineligible person in the past 12 months; ii. he or she has been determined by the CSRC or 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 or any of its delegated agencies due to material non-compliance of laws and regulations in the past 12 months; iv. he or she is prohibited from being a director or senior management of a 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 is achieved.
4. The individual performance appraisal of the participants: the individual performance appraisal result of the participants in 2020 is competent or above.

## SIGNIFICANT EVENTS

## II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

### (2) Details of the restricted shares granted under the 2021 Restricted Share Incentive Scheme

Except for the 2021 Restricted Share Incentive Scheme which was implemented completely during the year ended 31 December 2025, the Company did not have any other share scheme which is applicable for the disclosure requirements of Chapter 17 of the Listing Rules during the Reporting Period. The following table sets forth the details of restricted shares granted during the 2025 financial year.

| Category of grantees  | Particulars of outstanding options and unvested awards at the beginning and at the end of 2025 | Number of shares with selling restrictions at the beginning of 2025 | Number of shares released from selling restrictions during 2025 | Number of shares with selling restrictions granted during 2025 | Number of shares with selling restrictions at the end of 2025 | Date of grant   | Vesting period                   | Exercise period                  | Date of releasing selling restrictions <sup>Note 4</sup> | Price of grant (RMB) | Closing price immediately prior to the date of grant (RMB) | Reasons for selling restrictions       | Fair value of share-based payment (RMB) | Weighted average closing price (RMB) | Weighted average number of shares of the relevant class in issue for 2025 | The restricted shares which lapsed during 2025 |
|---|--|---|---|--|---|-----------------|----------------------------------|----------------------------------|--|----------------------|--|--|---|--------------------------------------|---|--|
| 633 participants (employees)<br><sup>Note 1</sup> (excluding 64 participants whose restricted shares have been repurchased and cancelled, and the restricted shares of 4 participants the 20% restricted shares of whom have been repurchased and cancelled <sup>Note 2</sup> ) | Not applicable <sup>Note 3</sup>   | 103,118,924 <sup>Note 4</sup>                                       | 51,449,722  | 0  | 51,669,202  | 17 January 2022 | Not applicable <sup>Note 6</sup> | Not applicable <sup>Note 7</sup> | 24 months, 36 months, 48 months <sup>Note 8</sup>        | 3.55/share           | 5.94/share   | 2021 Restricted Share Incentive Scheme | 414.9 million <sup>Note 9</sup>         | 5.88/share <sup>Note 10</sup>        | 0.51% <sup>Note 11</sup>  | Not applicable <sup>Note 12</sup>              |
| 50 participants (employees)<br><sup>Note 1</sup> (excluding the restricted shares of 1 participant the 20% restricted shares of whom have been repurchased and cancelled <sup>Note 3</sup> )  |  | 7,947,975 <sup>Note 4</sup>   | 0 <sup>Note 5</sup>   | 0  | 7,947,975   | 2 November 2022 |                                  |                                  | 24 months, 36 months, 48 months <sup>Note 8</sup>        | 3.68/share           | 5.06/share   | 2021 Restricted Share Incentive Scheme | 16.3 million <sup>Note 9</sup>          |                                      |   |  |

#### Notes:

- The participants of the 2021 Restricted Share 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 or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue of the Company.

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

#### (2) Details of the restricted shares granted under the 2021 Restricted Share Incentive Scheme (Continued)

Notes: (Continued)

2. Regarding 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 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. 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 received a competent performance rating in the individual performance appraisal in 2022 (80% of the restricted shares were unlocked during the current period, and the remaining 20% of the restricted shares not yet unlocked were 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 Restricted Share 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 were unlocked in the current period, while the remaining 20% of the restricted shares were 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 1 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 SASAC of the State Council, 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was more than 6 months before the selling restrictions for the second batch are unlocked, 3 participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, 6 participants retired normally as the legal retirement age was reached and the time of retirement was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, and 2 participants received a competent performance rating in the 2023 annual individual performance appraisal (80% of the restricted shares were 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.

## SIGNIFICANT EVENTS

## II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

### (2) Details of the restricted shares granted under the 2021 Restricted Share Incentive Scheme (Continued)

Notes: (Continued)

2. (Continued)

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

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

3. Under the 2021 Restricted Share 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 2024 are inapplicable. The number of restricted shares granted under the 2021 Restricted Share 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 Restricted Share Incentive Scheme was implemented completely (which means that no shares were available for grant under the 2021 Restricted Share Incentive Scheme at the beginning and at the end of 2024).

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 or 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 or 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 is achieved. 4. The individual performance appraisal of the participants: the individual performance appraisal result of the participants in 2020 is competent or above.

## SIGNIFICANT EVENTS

### II. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentive Measures and the Impacts Thereof (Continued)

#### (2) Details of the restricted shares granted under the 2021 Restricted Share Incentive Scheme (Continued)

Notes: (Continued)

5. *On 9 January 2026, the total number of shares unlocked during the second unlocking period under the reserved grant of the restricted shares under the 2021 Restricted Share Incentive Scheme of the Company was 3,973,988 shares.*
6. *The restricted shares granted under the 2021 Restricted Share Incentive Scheme do not have any vesting period as they were all vested with the participants at the same time as they were granted.*
7. *No options which may be exercised were granted under the 2021 Restricted Share Incentive Scheme.*
8. *Lock-up period of the restricted shares granted under the 2021 Restricted Share 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.*
9. *In accordance with the relevant requirements of the “Accounting Standards for Enterprises No.11 – Share-based Payment” of the PRC, 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 first 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 above-mentioned 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.*
10. *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.*
11. *The total number of restricted shares granted under the 2021 Restricted Share Incentive Scheme by the Company represents 0.51% of the weighted average number of A shares of the Company in issue during 2025.*
12. *Under the 2021 Restricted Share 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.*

## SIGNIFICANT EVENTS

## III. 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

| Undertaking background              | Type of undertaking | Undertaking party | Undertaking 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 | Other undertakings  | CREC              | If China Railway is subject to administrative penalties or currently under formal investigation due to any undisclosed violation of laws and regulations in respect of the delay in developing acquired land, land speculation, hoarding of properties and driving up of property prices by price-rigging, which cause losses to China Railway and its investors, CREC shall bear the liability for compensation according to the requirements of the relevant laws and administrative regulations and as required by the securities regulatory authorities.  | Long term                          | No  | Yes                   | /   | /   |

## SIGNIFICANT EVENTS

### III. Performance Status of Undertakings (Continued)

#### 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 (Continued)

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

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

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

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

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

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

Not applicable

#### 3. Fulfillment of undertakings and its impact on goodwill impairment test

Not applicable

## SIGNIFICANT EVENTS

### IV. Non-operating Appropriation of Funds by the Controlling Shareholder and Other Related Parties during the Reporting Period

Not applicable

### V. Illegal Guarantee

Not applicable

### VI. Explanation of the Company on the “Modified Audit Report” from Auditors

Not applicable

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

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

Not applicable

2. **Analysis and explanation of the Company on the reasons for and impacts of the correction of material accounting errors**

Not applicable

3. **Communications with former auditors**

Not applicable

4. **Others**

Not applicable

## SIGNIFICANT EVENTS

## VIII. Appointment and Removal of Auditors

Unit: '0,000 Currency: RMB

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

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

**Explanation on the appointment and removal of auditors**

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

## SIGNIFICANT EVENTS

### IX. Risk of Delisting

- 1. Reason for delisting**  
Not applicable
- 2. Response measures to be adopted by the Company**  
Not applicable
- 3. Delisting and the reasons thereof**  
Not applicable

### X. Matters Relating to Insolvency or Restructuring

Not applicable

### XI. Material Litigation and Arbitration

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

### XII. Penalty and Rectification Order against the Company and its Directors, Senior Management, Controlling Shareholders, Ultimate Controller and Acquirer

Not applicable

### XIII. Integrity of the Company and its Controlling Shareholders and Ultimate Controllers during the Reporting Period

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

## SIGNIFICANT EVENTS

## XIV. Significant Related Party Transactions

## 1. Related party transactions in ordinary course of business

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

Not applicable

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

Not applicable

## (3) Matters undisclosed in announcement

Unit: '000 Currency: RMB

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

Description of related party transactions

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

## SIGNIFICANT EVENTS

## XIV. Significant Related Party Transactions (Continued)

## 2. Related party transactions in relation to acquisition and disposal of assets

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

Not applicable

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

Not applicable

## (3) Matters undisclosed in announcement

Not applicable

## (4) If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed

Not applicable

## 3. Significant related party transactions in relation to joint external investment

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

Not applicable

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

Not applicable

## (3) Matters undisclosed in announcement

Not applicable

## 4. Amounts due from/to related parties

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

Not applicable

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

Not applicable

## (3) Matters undisclosed in announcement

Not applicable

## SIGNIFICANT EVENTS

## XIV. Significant Related Party Transactions (Continued)

## 5. The financial business between the Company and its related financial company, and between the financial company held by the Company and its related parties

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

## (1) Deposit business

Unit: '000 Currency: RMB

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

## SIGNIFICANT EVENTS

## XIV. Significant Related Party Transactions (Continued)

## 5. The financial business between the Company and its related financial company, and between the financial company held by the Company and its related parties (Continued)

## (2) Loan business

Unit: '000 Currency: RMB

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

## (3) Credit business or other financial business

Unit: '000 Currency: RMB

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

## (4) Others

Unit: '000 Currency: RMB

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

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

## SIGNIFICANT EVENTS

### XIV. Significant Related Party Transactions (Continued)

#### 6. Others

##### Related party guarantees

Unit: '000 Currency: RMB

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

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

### XV. Material Contracts and Their Performance

#### 1. Trusteeship, contracting and leasing

##### (1) Trusteeship

Not applicable

##### (2) Contracting

Not applicable

##### (3) Leasing

Not applicable

## SIGNIFICANT EVENTS

## XV. Material Contracts and Their Performance (Continued)

## 2. Guarantees

Unit: '0,000 Currency: RMB

| Guarantees provided by the Company (excluding the guarantees to subsidiaries) |   |  |                  |                             |                                |                          |                                       |                     |                     |  |                   |                |                             |                                   |                            |
|---|---|--|------------------|-----------------------------|--------------------------------|--------------------------|---------------------------------------|---------------------|---------------------|--|-------------------|----------------|-----------------------------|-----------------------------------|----------------------------|
| Guarantor   | Relationship between guarantor and the listed company | Secured party  | Guarantee amount | Date of guarantee agreement | Commencement date of guarantee | Expiry date of guarantee | Type of guarantee                     | Main debt condition | Collateral (if any) | Whether the guarantee has been fulfilled | Guarantee overdue | Overdue amount | Counter guarantee available | Whether the guarantee is provided | Related party relationship |
|   |   |  |                  |                             |                                |                          |                                       |                     |                     |  |                   |                |                             | to related party                  |                            |
| China Railway No. 4 Engineering Group Co., Ltd                                | Wholly-owned subsidiary                               | Xuzhou Yingbin Expressway Construction Co., Ltd.                             | 119,000.00       | 2018/10/22                  | 2018/10/30                     | 2028/10/29               | Joint and several liability guarantee | Normal performance  | Equity pledge       | No                                       | No                | 0.00           | None                        | No                                | /                          |
| China Railway No. 5 Engineering Group Co., Ltd.                               | Wholly-owned subsidiary                               | Qinghai Minmetals China Railway Expressway Construction Management Co., Ltd. | 14,850.00        | 2020/1/14                   | 2020/1/14                      | 2045/12/30               | Joint and several liability guarantee | Normal performance  | Equity pledge       | No                                       | No                | 0.00           | None                        | No                                | /                          |
| China Railway No. 5 Engineering Group Co., Ltd.                               | Wholly-owned subsidiary                               | Jiangxi Chengke Yunchuang Real Estate Co., Ltd.                              | 2,446.89         | 2021/9/22                   | 2021/9/22                      | 2029/9/21                | Joint and several liability guarantee | Normal performance  | No                  | No                                       | No                | 0.00           | None                        | No                                | /                          |
| China Railway Major Bridge Engineering Group Co., Ltd.                        | Wholly-owned subsidiary                               | Shantou Niutianyang Expressway Investment Development Co., Ltd.              | 9,024.22         | 2019/11/14                  | 2019/11/14                     | 2039/8/23                | Joint and several liability guarantee | Normal performance  | Equity pledge       | No                                       | No                | 0.00           | None                        | No                                | /                          |
| China Railway International Group Co., Ltd.                                   | Wholly-owned subsidiary                               | MontagProp Proprietary Limited   | 6,189.00         | 2015/7/10                   | 2015/7/10                      | 2030/7/10                | Joint and several liability guarantee | Normal performance  | No                  | No                                       | No                | 0.00           | None                        | No                                | /                          |
| China Railway South Investment Group Co., Ltd.                                | Wholly-owned subsidiary                               | Shantou Niutianyang Expressway Investment Development Co., Ltd.              | 405,187.50       | 2019/11/14                  | 2019/11/14                     | 2039/8/23                | Joint and several liability guarantee | Normal performance  | Equity pledge       | No                                       | No                | 0.00           | None                        | No                                | /                          |

## SIGNIFICANT EVENTS

## XV. Material Contracts and Their Performance (Continued)

## 2. Guarantees (Continued)

| Guarantees provided by the Company (excluding the guarantees to subsidiaries) |   |               |                  |                     |                                |                          |                   |                     |                     |  |                   |                |              |  |                      |
|---|---|---------------|------------------|---------------------|--------------------------------|--------------------------|-------------------|---------------------|---------------------|--|-------------------|----------------|--------------|--|----------------------|
| Guarantor   | Relationship between guarantor and the listed company | Secured party | Guarantee amount | Date of guarantee   |                                |                          | Type of guarantee | Main debt condition | Collateral (if any) | Whether the guarantee has been fulfilled | Guarantee overdue | Overdue amount | Counterparty | Whether the guarantee is provided to related party | Related relationship |
|   |   |               |                  | (date of agreement) | Commencement date of guarantee | Expiry date of guarantee |                   |                     |                     |  |                   |                |              |  |                      |

|   |                         |   |          |           |           |           |                                       |                    |    |    |    |      |      |    |   |
|---|-------------------------|---|----------|-----------|-----------|-----------|---------------------------------------|--------------------|----|----|----|------|------|----|---|
| China Railway Real Estate Group Co., Ltd. | Wholly-owned subsidiary | Shanghai Huaxie Real Estate Development Co., Ltd. | 1,776.74 | 2025/4/29 | 2025/4/29 | 2026/4/30 | Joint and several liability guarantee | Normal performance | No | No | No | 0.00 | None | No | / |
|---|-------------------------|---|----------|-----------|-----------|-----------|---------------------------------------|--------------------|----|----|----|------|------|----|---|

Total amount of guarantees incurred during the Reporting Period (excluding the guarantees provided to subsidiaries) -91,636.60

Total balance of guarantee as at the end of the Reporting Period (A) (excluding the guarantees provided for subsidiaries) 558,474.35

**Guarantees provided by the Company to its subsidiaries**

Total amount of guarantees provided to subsidiaries during the Reporting Period -3,558,245.65

Total balance of guarantee provided to subsidiaries as at the end of the Reporting Period (B) 6,116,971.98

**Total guarantees provided by the Company (including guarantees to its subsidiaries)**

Total amount of guarantees (A+B) 6,675,446.33

Total amount of guarantees as a percentage of net assets of the Company (%) 12.35%

Of which:

Amount of guarantees provided to shareholders, de facto controller and their related parties (C) 0.00

Amount of debt guarantees directly or indirectly provided to the secured parties with the gearing ratio exceeding 70% (D) 5,592,616.73

Excess amount of aggregate guarantee over 50% of net assets (E) 0.00

Total amount of the above three types of guarantees (C+D+E) 5,592,616.73

Statement on the contingent joint and several liability in connection with unexpired guarantee Not applicable

Explanations on guarantees 1. The aggregate guarantee included the commitment to make up the difference of RMB20,315.8763 million provided to its subsidiaries.

2. As of 31 December 2025, the aggregate guarantee of China Railway Group Limited (consolidated) in relation to real estate mortgage was RMB16,790.8928 million.

## SIGNIFICANT EVENTS

## XV. Material Contracts and Their Performance (Continued)

## 3. Management of cash assets entrusted to third parties

## (1) Entrusted wealth management

(i) Overview of entrusted wealth management

Not applicable

(ii) Breakdown of entrusted wealth management

Not applicable

(iii) Provision for impairment of entrusted wealth management

Not applicable

## (2) Entrusted loans

(i) Overview of entrusted loans

Unit: '0,000 Currency: RMB

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

## SIGNIFICANT EVENTS

## XV. Material Contracts and Their Performance (Continued)

## 3. Management of cash assets entrusted to third parties (Continued)

## (2) Entrusted loans (Continued)

## (ii) Breakdown of entrusted loans

Unit: '0,000 Currency: RMB

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

## (iii) Provision of impairment of entrusted loans

Not applicable

## SIGNIFICANT EVENTS

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

## 1. Material contracts signed during the Reporting Period

## (1) Engineering construction business

| No.             | Signatory  | Name of contract   | Date of winning the bidding/<br>contract signing date | Contract sum<br>(RMB'0,000) | Construction period |
|-----------------|--|--|---|-----------------------------|---------------------|
| <b>Railways</b> |  |  |   |                             |                     |
| 1               | China Railway No. 1 Engineering, China Railway No. 3 Engineering, China Railway No. 4 Engineering, China Railway No. 5 Engineering, China Railway Major Bridge Engineering, China Railway Tunnel, China Railway Shanghai Engineering | Sections YFHBZQ-2, YFHBZQ-3, YFHBZQ-6, YFHBZQ-8, YFHBZQ-10, YFHBZQ-11 and YFHBZQ-13 for the construction of the civil engineering and auxiliary projects of the newly built Yichang-Fuling High-speed Railway (Hubei section)                | 2025.02   | 2,470,898                   | 2,192 calendar days |
| 2               | China Railway No. 2 Engineering, China Railway Consulting  | General contracting for the design and construction of electrified standard gauge railway (SGR) of the second phase of the Tanzania/Burundi/Democratic Republic of the Congo Standard Gauge Joint Railway Project (Tanzania/Burundi section) | 2025.01   | 1,822,445                   | 80 months           |
| 3               | China Railway No. 1 Engineering, China Railway No. 2 Engineering, China Railway No. 3 Engineering, China Railway No. 8 Engineering, China Railway Tunnel   | Sections CGJXZQ-1, CGJXZQ-3, CGJXZQ-5, CGJXZQ-6 and CGJXZQ-9 of the tender for lump-sum construction contract of the newly built Changsha-Ganzhou High-speed Railway (Jiangxi section)   | 2025.09   | 1,727,093                   | 1,826 calendar days |
| <b>Highway</b>  |  |  |   |                             |                     |
| 1               | China Railway No. 1 Engineering, China Railway No. 4 Engineering, China Railway No. 7 Engineering,   | Sections TJ2, TJ4 and TJ5 for the civil engineering construction of the Chengdu-Wenjiang-Qionglai Highway Expansion Project  | 2025.06   | 243,883                     | 30 months           |
| 2               | China Railway Tunnel and other parties   | Section TJ3 for the construction of the Ningbo Qijiashan to Zhoushan Jintang section of G92 Hangzhou Bay Area Ring Expressway (Ningbo Qijiashan to Zhoushan Jintang section of the Ningbo-Zhoushan Expressway Duplex Line)                   | 2025.09   | 204,651                     | 1,672 calendar days |
| 3               | China Railway No. 1 Engineering  | Section TJ09 of the Hangzhou Central Ring Road to Zhejiang-Jiangxi Border Project (Hangzhou section) of G2531 Hangzhou-Shangrao Expressway (Hangzhou-Chun'an-Kaihua Expressway)  | 2025.09   | 163,046                     | 36 months           |

## SIGNIFICANT EVENTS

## XVI. Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors (Continued)

## 1. Material contracts signed during the Reporting Period (Continued)

## (1) Engineering construction business (Continued)

| No.                    | Signatory  | Name of contract  | Date of winning the bidding/<br>contract signing date | Contract sum<br>(RMB'0,000) | Construction period |
|------------------------|--|---|---|-----------------------------|---------------------|
| <b>Municipal works</b> |  |   |   |                             |                     |
| 1                      | China Railway No. 4 Engineering, China Railway Tunnel                                  | Section 1 of the Anhui G4001 Connection Line Project  | 2025.11   | 316,625                     | 1,460 calendar days |
| 2                      | China Railway Construction   | General contracting for the construction of Terminal Area and GTC Ancillary Works of Kunming Changshui International Airport Reconstruction and Expansion Project – the landside comprehensive transportation center and ancillary works (section 2)  | 2025.03   | 173,605                     | 1,550 calendar days |
| 3                      | China Railway Tunnel   | Construction of the Jinsha Tunnel in Shunde District, Foshan City   | 2025.01   | 135,608                     | 1,643 calendar days |
| <b>Urban rails</b>     |  |   |   |                             |                     |
| 1                      | China Railway No. 2 Engineering, China Railway No. 6 Engineering, China Railway Tunnel | Contracting sections No. 01, 06 and 07 for the civil construction of Beijing Rail Transit Line 19 Phase II Project (North Extension and North Extension Branch)   | 2025.09   | 206,393                     | 1,488 calendar days |
| 2                      | China Railway Electrification Engineering  | Section C18 for general contracting for construction and installation of four systems integration (all-line traction substations, overhead contact system, ring network, interval evacuation platforms, interval ventilation, water and electricity, communication, signal, automatic fare collection, platform doors) of Shanghai Rail Transit Urban Line Chongming Line Project | 2025.06   | 165,443                     | 550 calendar days   |
| 3                      | China Railway No. 1 Engineering  | Section D.S05.X-TA12 for the construction of the cross-river section shield tunnel civil engineering of the Nanjing-Yizheng Line (including Yangzhou Extension Line) Urban (Suburban) Railway Phase I Project   | 2025.02   | 134,732                     | 1,281 calendar days |

## SIGNIFICANT EVENTS

## XVI. Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors (Continued)

### 1. Material contracts signed during the Reporting Period (Continued)

#### (2) Design and consulting business

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

#### (3) Equipment manufacturing business

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

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## XVI. Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors (Continued)

## 1. Material contracts signed during the Reporting Period (Continued)

## (3) Equipment manufacturing business (Continued)

| No.  | Signatory                           | Owner  | Name of contract   | Contract signing date | Contract sum<br>(RMB'0,000) | Construction period<br>(months) |
|--|-------------------------------------|--|--|-----------------------|-----------------------------|---------------------------------|
| <b>Turnout</b>   |                                     |  |  |                       |                             |                                 |
| 1  | China Railway Shanhaiguan Bridge    | Chengdu Construction Command of China Railway Chengdu Group Co., Ltd.                              | High-speed turnouts for the Tianfu to Chaoyanghu section of the Sichuan-Tibet Railway Introducing into Chengdu Hub | 2025.07               | 8,599                       | 12 months                       |
| 2  | China Railway Shanhaiguan Bridge    | Yinchuan Engineering Construction Command of China Railway Lanzhou Group Co., Ltd.                 | Ningxia section of the Baoji-Zhongwei Railway Capacity Expansion and Reconstruction Project                        | 2025.08               | 8,075                       | As required by Party A          |
| 3  | China Railway Shanhaiguan Bridge    | Chinese New Turnout Technology Co., Ltd.<br>(新鐵德奧道岔有限公司)   | High-speed turnout procurement contract  | 2025.04               | 4,942                       | 12 months                       |
| <b>Engineering machinery (including track equipment and shields, etc.)</b> |                                     |  |  |                       |                             |                                 |
| 1  | China Railway Science & Industry    | Haikou Yongli Import and Export Co., Ltd.<br>(海口永利進出口有限公司)   | 1C2025-09 – 900t Procurement Contract for Transport, Erection, Handling and Lifting                                | 2025.09               | 70,500                      | 6 months                        |
| 2  | China Railway Engineering Equipment | Sichuan Road & Bridge (Group) Co., Ltd.  | Shield Machine Sales Contract  | 2025.10               | 26,307                      | As required by Party A          |
| 3  | China Railway Engineering Equipment | Urban Rail Transit Engineering Branch Co., Ltd. of China Railway No. 4 Engineering Group Co., Ltd. | Sales of China Railway No. 1659 shield machine for the Dongpu Reservoir Project in Hefei City, Anhui Province      | 2025.12               | 24,600                      | As required by Party A          |

## (4) Property development business

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

## SIGNIFICANT EVENTS

## XVI. Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors (Continued)

### 1. Material contracts signed during the Reporting Period (Continued)

#### (5) Assets operation business

##### (i) Material infrastructure investment projects signed during the Reporting Period

| No. | Name of contract   | Signatory   | Contract sum<br>(RMB '00 million) | Shareholding of the project company   | Construction period  | Concession period  | Signing date     |
|-----|--|---|-----------------------------------|---|--|--|------------------|
| 1   | Concession agreement for the concession projects of new construction of Xin'gan to Ruichang (Jiangxi-Hubei border) section of the G7021 Ningde-Wuhan Expressway and new construction of the Xin'gan-Xingguo Expressway | China Railway Communications Investment Group Co., Ltd. and other parties | 518.54                            | China Railway Communication holds 45.49%, China Railway No. 1 Engineering holds 0.5%, China Railway No. 2 Engineering holds 0.5%, China Railway No. 3 Engineering holds 0.5%, The Fourth Engineering of China Railway No. 4 Engineering holds 0.5%, China Railway No. 5 Engineering holds 0.5%, China Railway No. 6 Engineering holds 0.5%, China Railway No. 7 Engineering holds 0.5%, China Railway No. 8 Engineering holds 0.5%, China Railway Tunnel holds 0.5%, China Railway Major Bridge Engineering holds 0.5%, China Railway Beijing Engineering holds 0.5%, China Railway Consulting holds 0.01%, CCCC Investment Company Limited holds 44.79%, CCCC Investment Nanjing Co., Ltd. holds 0.1%, China First Highway Engineering Co., Ltd. holds 2%, CCCC Second Highway Engineering Co., Ltd. holds 1%, CCCC Third Highway Engineering Second Engineering Co., Ltd. holds 0.1%, Road & Bridge International Co., Ltd. holds 1% and CCCC Second Harbor Consultants Co., Ltd. holds 0.01% | Xin'gan- Ruichang Expressway: 4.25 years<br>Xin'gan-Xingguo Expressway: 3.25 years | Xin'gan- Ruichang Expressway: 29.67 years + 5.75 years<br>Xin'gan-Xingguo Expressway: 29.67 years + 6.75 years | 17 November 2025 |
| 2   | Engineering project of Xinjin to Emeishan section of the Chengdu-Emeishan Expressway   | China Railway City Investment and Development Group and other parties     | 188.21                            | China Railway City Investment and Development Group holds 51%, Chengdu Communication Investment Group Co., Ltd. holds 36%, and Chengdu Construction Engineering Group Co., Ltd. holds 13%   | 3  | 29.82  | 28 February 2025 |
| 3   | Bundle Project of Lidu to Xinmiao Section Engineering of the Chongqing Fuling Ring Expressway and Fuling North Ring Section of the G5021 Shizhu-Chongqing Expressway   | China Railway Tunnel Group Co., Ltd. and other parties                    | 139.53                            | China Railway Communications holds 0.04%, China Railway Major Bridge Engineering holds 0.18%, China Railway Changjiang Design holds 0.12%, China Railway Tunnel holds 65.19%, Anhui Construction Engineering Co., Ltd. holds 7.43%, and Fuling district government holds 27.04%   | 4.5  | 30   | 22 May 2025      |

## SIGNIFICANT EVENTS

## XVI. Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors (Continued)

## 1. Material contracts signed during the Reporting Period (Continued)

## (5) Assets operation business (Continued)

(ii) Material infrastructure investment projects operated during the Reporting Period

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

## (6) Emerging business

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

## SIGNIFICANT EVENTS

## XVI. Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors (Continued)

### 2. Particulars of material properties

#### (1) Property held for development

Unit: 0'000 square meters

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

#### (2) Property held for investment

Unit: 0'000 square meters

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

## SIGNIFICANT EVENTS

### XVII. Implementation of the Action Plan for “Quality and Efficiency Improvement and Returns Enhancement” of the Company

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

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

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

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

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

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

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

## SIGNIFICANT EVENTS

### XVII. Implementation of the Action Plan for “Quality and Efficiency Improvement and Returns Enhancement” of the Company (Continued)

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

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

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

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

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

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

## SIGNIFICANT EVENTS

### XVIII. Implementation and Assessment of the “Valuation Enhancement Plan” of the Company

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

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

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

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

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

## SIGNIFICANT EVENTS

### XIX. 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 (Continued)

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

### XX. Social Responsibility Commitments

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

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

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

## SIGNIFICANT EVENTS

## XX. Social Responsibility Commitments (Continued)

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

**Specific description**

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

## SIGNIFICANT EVENTS

## XXI. Work of Consolidating and Expanding Poverty Alleviation Results and Rural Revitalization

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

## SIGNIFICANT EVENTS

## XXI. Work of Consolidating and Expanding Poverty Alleviation Results and Rural Revitalization (Continued)

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

## SIGNIFICANT EVENTS

### XXI. Work of Consolidating and Expanding Poverty Alleviation Results and Rural Revitalization (Continued)

#### Specific description

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

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

## SIGNIFICANT EVENTS

### XXI. Work of Consolidating and Expanding Poverty Alleviation Results and Rural Revitalization (Continued)

#### Specific description (Continued)

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

## DEFINITION AND GLOSSARY OF THE TECHNICAL TERMS

|                               |   |
|-------------------------------|---|
| “Five Key Tough Tasks”        | resolutely advancing the five key battles of “stabilising growth, structural adjustment, reform and innovation, quality and efficiency enhancement, and Party-building leadership”  |
| “two priorities” construction | implementation of major national strategies and the strengthening of security capabilities in key areas   |
| A Share                       | ordinary shares of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB   |
| annual report                 | 2025 Annual Report of China Railway Group Limited   |
| Articles of Association       | Articles of Association of China Railway Group Limited and its amendments from time to time   |
| Board of Directors, Board     | the board of directors of the Company   |
| China, PRC                    | the People’s Republic of China  |
| China Railway Finance         | China Railway Finance Co., Ltd.   |
| China Railway Trust           | China Railway Trust Co., Ltd.   |
| Company, China Railway, We    | China Railway Group Limited, a joint stock company incorporated in China, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390), respectively   |
| Construction Method           | taking the project as the object and the construction process as the core, applying the principles of systems engineering and integrating advanced technology with scientific management, and forming a comprehensive and well-coordinated construction method through practical engineering experience |
| CREC                          | China Railway Engineering Group Company Limited, formerly known as China Railway Engineering Corporation  |
| Director(s)                   | the director(s) of the Company  |
| Group                         | the Company and its subsidiaries  |
| H Shares                      | overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars   |

## DEFINITION AND GLOSSARY OF THE TECHNICAL TERMS

|                                       |  |
|---------------------------------------|--|
| Hong Kong, HK                         | the Hong Kong Special Administrative Region of the People's Republic of China  |
| Hong Kong Stock Exchange              | The Stock Exchange of Hong Kong Limited  |
| Listing Rules                         | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and its amendments from time to time  |
| One Belt, One Road                    | the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road"  |
| Reporting Period                      | the year ended 31 December 2025  |
| RMB                                   | the legal currency of China, Renminbi  |
| SASAC                                 | The State-owned Assets Supervision and Administration Commission of the State Council  |
| Securities and Futures Ordinance, SFO | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and its amendments from time to time   |
| shareholders                          | holders of A Shares and/or H Shares  |
| shares                                | A Shares and/or H Shares   |
| shield machine                        | a kind of special construction machinery for tunnel excavation. It is a full-section tunnel boring machine for soft soil or water-rich strata construction   |
| TBM                                   | Tunnel Boring Machine  |
| Three Transformations                 | on 10 May 2014, General Secretary Xi Jinping proposed the "Three Transformations" when he visited China Railway Engineering Equipment Group Co., Ltd. in Henan, namely, promoting the transformation from "made in China" to "created in China", the transformation from Chinese speed-oriented to Chinese quality-oriented and the transformation from Chinese product to Chinese brand |
| 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   |

# COMPANY INFORMATION

## Directors

### Executive Directors

Mr. CHEN Wenjian (*Chairman*)

Mr. ZHAO Dianlong

### 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. ZHAO Dianlong

Mr. TAM Chun Chung *CPA, FCCA*

## Audit and Risk Management Committee

Ms. SUN Lishi (*Chairlady*)

Mr. WEN Limin

Mr. XIU Long

## Remuneration and Appraisal Committee

Mr. XIU Long (*Chairman*)

Mr. WEN Limin

Ms. SUN Lishi

## Strategy and Investment Committee

Mr. CHEN Wenjian (*Chairman*)

Mr. ZHAO Dianlong

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. ZHAO Dianlong (*Chairman*)

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

Grandall Law Firm  
Unit 1001, 10/F, Taikang International Tower,  
No.2 Wudinghou Street, Xicheng District, Beijing, China

### 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>

# 永遠的開路先鋒



**中國中鐵**  
CHINA RAILWAY

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Haidian District, Beijing, China  
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